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SFRY's Orlandic Pays 3-Day Visit

Arrives in Sofia

LD2612161788 Belgrade TANJUG Domestic Service in Serbo-Croatian 1220 GMT 26 Dec 88

[Text] Sofia, 26 December (TANJUG)—Marko Orlandic, member of the LCY Central Committee Presidium, arrived today in Sofia on a 3-day official visit to the People's Republic of Bulgaria at the invitation of the Bulgarian Communist Party Central Committee. Outside his official residence in Sofia, Orlandic was greeted by Dimitur Stanishev, secretary of the BCP Central Committee.

This afternoon Marko Orlandic will have his first meeting with his host, Yordan Yotov, member of the Politburo and secretary of the BCP Central Committee, with whom he will have talks on bilateral relations and on cooperation between the LCY and the BCP. It has been indicated that information will also be exchanged on the activities of the two parties in realizing reforms in both countries.

During his visit Marko Orlandic will also have talks with Milko Balev, member of the BCP Central Committee Politburo, and it is expected that he will also be received by Todor Zhivkov, general secretary of the BCP Central Committee.

Talks With Yotov

LD2712190988 Belgrade TANJUG Domestic Service in Serbo-Croatian 1710 GMT 27 Dec 88

[Text] Sofia, 27 Dec (TANJUG)—In many areas Yugoslav-Bulgarian relations are on an upward trend. This was stated today in the talks between Yordan Yotov, member of the BCP Politburo, and Marko Orlandic, member of the LCY Central Committee Presidium, who is in Sofia. Both sides stated that the economic and political reforms begun in Yugoslavia and Bulgaria open up new possibilities for expanding cooperation, especially in the economy.

In the talks Orlandic pointed out the matters which are burdening Yugoslav-Bulgarian relations, stressing the need to be overcome them on principled bases. This means, Orlandic said, respect for historical facts and recognition of the rights of the Macedonian minority in Bulgaria. A change in the negative attitude toward the identity of the Macedonian nation, its history, and culture would make a powerful contribution to strengthening trust and the more comprehensive development of relations between the two neighbors. This, the LCY Central Committee Presidium member said, would remove the pressure which is objectively burdening the state of Bulgarian-Yugoslav relations.

Stating the well-known Bulgarian standpoints on this question, Yotov advocated the expansion of cooperation and gradually creating a climate in which problems in relations between the two countries might be overcome.

Marko Orlandic ends his visit to Bulgaria tomorrow. Before this, it has been announced, he will have talks with Todor Zhivkov, general secretary of the BCP Central Committee.

Received by Zhivkov

AU2812102588 Sofia Domestic Service in Bulgarian 1000 GMT 28 Dec 88

[Text] On 28 December at the Boyana Residence, Todor Zhivkov, general secretary of the BCP Central Committee, received Marko Orlandic, member of the LCY Central Committee Presidium, who is leading the LCY delegation that is visiting Bulgaria at the invitation of the BCP Central Committee.

The meeting took place in a cordial and friendly atmosphere. Issues related to the state of bilateral relations have been discussed.

Stashenkov-Led CPSU Working Group Visits

AU2712150288 Sofia RABOTNICHESKO DELO in Bulgarian 25 Dec 88 p 2

[Text] A working group of the CPSU Central Committee led by Nikolay Stashenkov, first deputy head of the CPSU Central Committee Socioeconomic Department, visited Bulgaria from 19 to 24 December.

The group was received by Emil Khristov, secretary of the BCP Central Committee. Issues related to party leadership in the sphere of internal trade and services under conditions of production and territorial self-management were discussed at the talks.

The guests had meetings at the Ministry of Economy and Planning, the BCP Sofia City Committee and BCP Plovdiv Municipal Committe. Meetings were also held with the executive committees of the two cities' people's councils. They also visited economic organizations and enterprises in Sofia and Plovdiv.

Opinions related to a broad range of specific issues of mutual interest were exchanged at the talks, which took place in a cordial and friendly atmosphere.

On 24 December the Soviet guests departed from Bulgaria.

Agroindustrial Agreement Reached With USSR

AU2312123588 Sofia Domestic Service in Bulgarian 1000 GMT 23 Dec 88

[Text] The session of the Bulgarian-USSR working group on cooperation in agroindustrial production ended in Sofia on 23 December. A protocol was signed. A branch program on economic and scientific-technical cooperation until 2000 was adopted. For the USSR the documents were signed by Vadim Ignatov, deputy chairman of the USSR State Agroindustrial Committee. He noted that the level of development of the two countries' agroindustrial production has created a real possibility for raising our cooperation to a higher level.

For the Bulgarian part the documents were signed by Dimitur Stanev, deputy chairman of the "National Agroindustrial Union" Association, who said the following to our correspondent:

[Begin Stanev recording] The branch program and protocol that were signed contain qualitatively new elements of further cooperation with the USSR in constructing joint enterprises. Experience until now shows that there are great possibilities in this area. The enterprises that have been established up to this point, especially the one for hothouse production of fruit and vegetables which has been established in Bulgaria, are functioning very well. It is hoped that the construction and expansion of an enterprise on the production of baby food and many other joint Bulgarian-USSR enterprises will take place. The advance toward practically producing consumer goods and other goods that will satisfy the needs of our people is the basic characteristic of the program and protocol that have been signed.

It is envisaged that cooperation will develop in the scientific area, in the construction of joint laboratories, and that the exchange of information between the two countries will expand. [end Stanev recording]

Seminar on Bulgarian-USSR Company Convened

AU2712085988 Sofia RABOTNICHESKO DELO in Bulgarian 21 Dec 88 p 6

[Text] The 20 December seminar on the goals and possibilities of the "Bulgarsovinvest" Bulgarian-USSR finance company, recently established by the Bulgarian-USSR Trade Economic Chamber, was the first event organized by the company.

The company is an association, whose seat is in Sofia. It was established by the Bulgarian Foreign Trade Bank and the USSR Bank for Foreign Economic Activity. Banks from the two countries, as well as interested enterprises, trusts, and organizations that participate in the integrational forms of cooperation can be partners in the new company. The company aims at cooperating, through investments, in developing and expanding socialist economic integration between Bulgaria and the USSR, especially in its new forms—implementing direct production and scientific-technical relations and establishing joint enterprises and international trusts.

Trade Exchange Protocol With Poland Signed

AU2712094688 Sofia RABOTNICHESKO DELO in Bulgarian 21 Dec 88 p 6

[Text] In 1989 Bulgaria and Poland will exchange various consumer goods worth more than R40 million. This is an increase of 22 percent in comparison with 1988. The protocol, which was signed on 20 December, envisages enriching our internal market with Polish furniture, electric light bulbs, cosmetics, various electrical appliances, wools, moquette carpeting, "Inka" coffee, frozen potatoes, and citrus syrup. Bulgaria will export furniture, toys, fiberglass floor covering, cosmetics, shoes, ceramics, artificial rugs, and canned fruit and vegetables to Poland.

The signing of the protocol marked the end of the negotiations of the CEMA member countries' ministries of internal trade. It has been envisaged that in 1989 mutual trade exchange will surpass R240 million.

Plant Agreement Signed With FRG Firms

AU2312164988 Sofia BTA in English 1555 GMT 23 Dec 88

["Cooperation With FRG Companies"—BTA headline]

[Text] Sofia, December 23 (BTA)—The Biotechnological and Chemical Industry Association and the FRG Selzgiter Company signed an agreement for the setting up of a consortium for the construction in Bulgaria of capacities for the production of polycarbons and end products thereof and for their sale in the international market.

The Khiminvest Economic Association, the Technological Chemical Combine in the town of Pleven, the Biokhim Trade Bank and the Khimimport Economic Society took part in the consortium. Their partners are Helm und Bank [name as received] [indistinct words], Frankfurt.

Cooperation will be realized on the basis of concrete agreements between the respective participants. There are plans for the constructions of capacities for the production of raw materials for polycarbon synthesis, licenses and know-how supply, projects and equipment for the construction of installations for polycarbons and their products, as well as the realization of the production in third markets and exchange of techno-scientific information. The equipment will be paid with production for the West German market.

The agreement is concluded for a period of 5 years and can be prolonged with the mutual agreement of the sides.

Oppression of Turks Allegedly Continues
AU2812102788 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 28 Dec 88 p 2

["wgl." report: "Oppression of Turks in Bulgaria Continues"]

[Text] Frankfurt—The Turkish Embassy in Bonn and many other official and semiofficial Turkish organizations took the 40th anniversary of the Universal Declaration of Human Rights of the United Nations as an occasion to point out the situation of the Turkish and Muslim minorities in Bulgaria. Since 1984, according to the embassy, the Bulgarian Government has tried to force Slavic names on the Turks and to "Bulgarize" them. The Turks are prohibited from speaking their language and burying their dead according to Islamic rites. So far, the Turkish-Bulgarian protocol of 23 February 1988 has not resulted in any visible progress, and the oppression of the Turkish minority continues, it is stated. Today approximately 600,000 Turks from the time of the Ottoman Empire, and Pomaks, that is, Slavs converted to Islam, live in Bulgaria. The proceedings of the Bulgarian authorities almost 4 years ago led to international protests. President Von Weizsaecker also referred to the violation of human rights during his visit to Sofia. Turkey is especially interested in reuniting families, because in the past few years many Turks have left Bulgaria; their relatives, however, are still living in the Balkan state. Recently the case of the weightlifter Naim Suleymanoglu, who fled from Bulgaria to Turkey and now hopes that his family will be able to follow him, caused a sensation.

Sports Union Council Views Doping Problem
AU2412194588 Sofia BTA in English 1813 GMT 24 Dec 88

["Combatting Doping"—BTA headline]

[Text] Sofia, December 24 (BTA)—The performance of the Bulgarian athletes at the Seoul Olympics and their preparation for the next games in Barcelona in 1992 was on the agenda of yesterday's plenum of the Central Council of the Bulgarian Union for Physical Culture and Sports. It was pointed out that in Seoul Bulgaria stood a fair chance of ranking immediately after the three great powers in world sports. At the same time, the plenum criticised the Bulgarians' unconvincing or unexpectedly weak showing in such sports as freestyle wrestling, rhythmic gymnastics, volleyball, basketball, boxing, rowing, track-and-field athletics, judo, shooting, etc. The fencers' performance was a disaster, and no entrants at all competed for this country in some sports. The disqualification of two weightlifters for taking banned drugs was assessed as a blow to Bulgarian sports.

In this connection, the leadership of the Bulgarian Sports Union adopted a resolution categorically condemning the use by athletes of agents banned by the I.O.C. [International Olympic Committee] and condemning also the use of illegal bodyweight-reducing drugs for which weightlifters Grublev and Genchev had tested positive.

The leadership of the Sports Union has accepted the resignation of the Bureau of the Bulgarian Weightlifting Federation, which admits its moral responsibility for the two athletes' disqualification. The plenum agreed with the I.O.C. decision to disqualify Genchev and Grublev from the Olympic games. Under the plenum resolution, they are banned from competition for two years, become ineligible for bonuses and moral incentives and are stripped of the title of Merited Master of Sports. The head coach of the national weightlifting team, Ivan Abadzhiev, and the team physician, Khristo Slavov, have been given a final warning of dismissal.

Mr Trendafil Martinski, president of the Central Council of the Bulgarian Union for Physical Culture and Sports, had the following to say answering a reporter's question about the identity of those to blame for what happened in Seoul: "No matter how hard we tried, we haven't detected a specific culprit. To attach blame, we need facts or confessions, but we have got neither. Still, there are people responsible for what happened, and they are named in the resolution of the Bulgarian Sports Union Central Council."

Asked the same question, head coach Ivan Abadzhiev said: "The case remained unsolved, but this does not make us any less responsible, and I find that the penalties imposed are justified. And yet, the training methods used in Bulgarian weightlifting should not be called into question. We must prove, and we intend to do it already next year, that weightlifting has sound foundations in Bulgaria."

Asked whether the Bulgarian athletes use agents banned by the I.O.C., Mr Abadzhiev said (as quoted by ZEMEDELSKO ZNAME): "Yes, weightlifters, too, use banned drugs, however only for treatment and rehabilitation. Competitors will keep taking drugs, and drugs will keep being perfected. We will be working to develop and administer biostimulators, which will not only be allowed, but will have a beneficial effect on the health and the efficiency of athletes and of all other people."

Adamec CPCZ Central Committee Plenum Speech

AU2112060188 Prague RUDE PRAVO in Czech 17 Dec 88 pp 3,4

["Report Submitted by Comrade Ladislav Adamec, CSSR Premier, at the 12th CPCZ Central Committee Session on 15 December 1989: On the Fulfillment of the Plan of Social and Economic Development in the Year 1988, on Provisions for the 1989 Plan, and on the Course of Restructuring the Economic Mechanism"]

[Text] Esteemed comrades, on instructions from the CPCZ Central Committee Presidium, I am submitting to you the report on the fulfillment of the plan of social and economic development in the year 1988, on provisions for the 1989 plan, and on the course of the restructuring of our economic mechanism.

The government proceeds from the conclusions adopted by the Seventh, Ninth, and Tenth CPCZ Central Committee sessions, which have become the political foundation of the federal government's programmatic statement that was approved by the Federal Assembly on 8 November 1988. We are summing up the knowledge acquired in our work during the first 2 months, and adopting a stand on certain topical issues.

We realize the extraordinary significance of next year, when our entire party and society will be embarking on intensive preparations for the 18th CPCZ Congress. In harmony with the demands voiced by Comrade Jakes, CPCZ Central Committee general secretary in his opening statement, we declare our responsibility for establishing the optimum conditions for mobilizing all creative forces of the workers class, the cooperative farmers, and the intelligentsia. We want to make a vigorous contribution toward creating an atmosphere of high responsibility for the accomplishment of tasks in every sector and toward producing a creative approach to the mobilization of all resources. We are striving to achieve a comprehensive approach to all political, economic, and ideological tasks, to link immediate and long-term matters, and to combine organizational work and consistent control. We share the responsibility for preparing a number of basic conceptual, strategic documents for the 18th CPCZ Congress.

In our report we proceed from the decision made by the Central Committee Presidium to start discussing the plans for promoting economic and social development by new and nontraditional methods, on the basis of a precise definition of the functions to be carried out by the party, state, and social organizations and agencies. We regard the orientation toward strengthening the role of our governments and the introduction of a regular rendering of accounts to the Central Committee as an expression of trust. In reply we want to make more resolute use of the powers vested in us. We are aware of our responsibility toward the entire party, toward the National Front and the CSSR citizens. The expectations harbored by the public (and strikingly manifested in the favorable reaction to our programmatic statement) are binding for us.

The federal government is resolved to honorably cope with the high demands set by the political and economic reform, and to change the contents and style of its work as it goes along, while overcoming outdated views and methods. We have no moral right to criticize others if we ourselves do not radically change, if we do not provide a specific example on higher levels. In order to make a successful beginning, we give priority to renewing the people's trust in the state policy. Our citizens do not judge our work solely according to what they themselves have experienced—they also ask about broader issues. They want to know why we are undertaking such profound social changes. They are wondering what this will require from them. They measure the principles of restructuring by applying the usual ideas on socialism and the management of the national economy to them. They judge these principles by the living standards. For the sake of reciprocal understanding, we must provide a truthful answer to all that is still unclear, as well as truthfully reply to the unpleasant questions and doubting voices—without evasion or excuses, without resorting to useless tactics and camouflage; we must reply in the spirit of supplying the public with information, in the spirit of broad democratism.

Lack of Economic Equilibrium Depreciates Results

Comrades, the people's trust in the policy pursued by the CPCZ, the National Front, and the socialist state, their trust in the success of radical steps for normalizing the economy, is considerably influenced by the overall economic situation in the country and in individual enterprises. The problems connected with plan fulfillment were a painful matter for the working people in our plants as far back as the beginning of the Eighth 5-Year Plan. They have not receded this year, either, despite the numerous resolutions, promises, and assurances—but also despite the devotion and initiative of the working collectives. Most disproportions and breakdowns are deeply rooted and have long-term causes. The consequences of erroneous decisions, the postponement of unpopular measures and half-hearted solutions—these are never immediately apparent. However, the longer they persevere, the greater the doubts and conflicts they can lead to. That is why the situation in which this government has begun its work is so complicated. Together with all honest citizens we are looking for an honorable way out—and not merely for the present, but for the good future of our country as well.

We understand how the people would like things to be remedied immediately, at once—but above all without complicating their working and living conditions. However, we must say realistically that we can only cope with these difficulties gradually, at the price of great efforts, considerable expenditures, and a number of risks. We harbor no illusions, nor are we retreating before problems. We are truthfully saying that it is not possible for us to remove all shortcomings within a short amount of time. However, a solution does exist—and in this respect we are looking to the future with optimism.

These facts are also reflected in this year's accomplishment of the planned tasks. According to the (still) prevailing quantitative criteria, most branches will achieve the set rates of production increases, and we will overfulfill the planned national income. However, once again we will not actually fulfill the intentions of the 5-year plan. The results are depreciated by a profound internal and external imbalance. On the one hand the stocks of unused materials are accumulating, while on the other, the range of products in short supply is increasing. We are exporting in order to preserve production and the markets—but at the same time we are not improving our foreign currency position in terms of freely convertible currencies. We cannot make use of the created national income to achieve the necessary qualitative growth of personal and social consumption. A considerable percentage of the created value is immobilized in accumulating stocks, particularly those of unfinished products, in uncompleted construction projects, and in claims abroad. Moreover, in spite of all the complaints about the financial difficulties of enterprises, the investment plan will again be overfulfilled by roughly Kcs13 billion—without, however, providing us with guarantees that these projects will be highly efficient.

We also regard the insolvency of a considerable number of enterprises as a serious matter—in fact, toward the end of the third quarter of 1988 insolvency had reached a figure of Kcs40 billion. At the same time, the acquisition of financial resources and the repayment of loans is considered the least worry by quite a number of economic executives. We are also very much concerned about the very slow decrease [as published] in the material production input, which amounts to merely one-third of the planned rate.

However, despite such unfavorable conditions we are nevertheless fulfilling the social program of the 17th CPCZ Congress and making provisions for the planned improvement of living standards. So far we have been making good the shortfalls by creating resources, by reducing the volumes of central investments, and by mobilizing reserves.

We regard the orientation aimed at getting as close as possible to the set tasks of the 5-year plan and at minimizing production shortfalls as an important means of alleviating the imbalance. Some management cadres, however, interpret this policy line in their own peculiar way. They treat individual indicators of the plan as a fetish, viewing them primarily as a condition for reaping rewards while paying less heed to how society will profit from the goods produced. The consequences of this conduct severely damage our national economy. Although the volume of industrial production will have grown roughly 8 percent over the 3 years [of the Eighth 5-Year Plan], its structure, quality, and cost-intensiveness do not satisfy consumer requirements. It is precisely these fundamental matters—instead of mere quantitative data and global figures—which must be put under party and public control.

The intensification of the economy presupposes a number of important and mutually interdependent changes in the structure of production forces and in the system of management. In reality, however, the processes that we witness are quite the converse. This is borne out, for instance, by production growth in the sectors of fuels and power, metallurgy, chemical industry, and in the production of building materials, which will be 10 percent higher than planned during the last 3 years.

The ups and downs in supplies and the irregularity of production have an adverse impact on the mentality of manufacturers and consumers and generate an inordinate demand for production inputs. This conduct further deepens the strains in the social reproduction process. Speculative conduct accounts for the fact that while some manufacturers hoard raw and processed materials, their shortage among other manufacturers disrupts the labor cycle, making production more expensive and lowering the quality of goods. A check by the CSSR People's Control Committee carried out in three enterprises administered by the Prague-based Tesla-Investment Electronics economic production unit revealed that they had overstated their 1988 demand for scarce conductors by several hundred kilometers, which other enterprises then found missing. We must not content ourselves with the view that, in the end, one "somehow gets hold of everything." One can hardly estimate the enormous material values, but political losses as well, which this eternal hunting about for materials costs society as a whole.

What solutions offer themselves? A solution of principle should come from the new mechanism of relations among enterprises, from their greater and more effective incentives in the form of preferences and sanctions. But even here there is nothing we should wait for and rely on. In the current period of a transition in particular, ministries must more actively play their role of organizers of cooperative relations among suppliers and users. They must not be indifferent in the face of serious disruptions, which occur even within the framework of a single sector. It is their duty to make use of all instruments of management to set things right.

This also holds true for the responsibility of central agencies for the reduction of losses accounted for by substandard quality production, which will impoverish the national economy by almost Kcs5 billion this year. If we also managed to eliminate the indirect losses caused by low technical standards, the poor reliability and incompleteness of equipment, and inadequate service, we would gain additional tens of billions of korunas. At the same time, the mobilization of these hidden resources does not require any new capacities, additional manpower, or greater investment funds. It requires only one thing—consistently observing technical and technological norms, remaining steadfast in the face of pressures, and resisting compromises, even if they are in the interest of ensuring the plan.

We cannot avoid giving a reply to the question of why, even this year, the deviation from the originally set targets will be so large. The gist of the matter does not lie solely in certain quantitative differences. The percentages of plan fulfillment in themselves are not the most important thing. What we regard as crucial is the speed at which we advance along the path of intensification and move closer toward a highly thrifty, efficient, and ecologically suitable economy. It is precisely on this count that the greatest disharmony is making itself felt. We have expounded some of the causes in the programmatic statement of the federal government. We reckon that these causes will be specified in greater detail in the analysis of the economic situation of the state, with which we promised to familiarize the Federal Assembly in the first months of next year. With the aim of a high quality drafting of the Ninth 5-Year Plan, we support the standpoint of the CPCZ Central Committee Presidium to prepare a thorough analysis of the development of the national economy in the past 5-year periods for the 18th congress.

Comrades, the plan for 1989 and the outlook for 1990 were discussed in the government and in the CPCZ Central Committee Presidium in July 1988. We regard the set tasks as the minimum. We do not intend to carry on the practice of scaling down the plan in the course of the year. We are convinced that it is within the power of the Czechoslovak economy to cope more actively with the problems of a balanced and efficient development.

On the basis of the results of plan fulfillment in the first 3 years of the 5-year plan and in the light of the new needs and conditions of economic development, we reckon with a 2.2 percent growth of gross national income compared with the 1988 Plan. By lowering the dynamism of growth, we are creating prerequisites for economic balance to be restored. This restoration of economic balance concerns the entire spectrum—the national economic and enterprise levels, fiscal and foreign exchange management, and the domestic and foreign markets. We regard the creation of substantive and systemic prerequisites for speeding up the restructuring of the economic mechanism as particularly important.

More than 87 percent of the increment in national income will be accounted for by growth in the social productivity of labor. We foresee a substantial improvement in the development of a number of qualitative indicators compared with the results of the first years of the 5-year plan. The proportion of material costs in the value of output, for example, should drop 1.12 percent, although in the last 3 years it declined only 0.9 percent. Private consumption will grow 2.3 percent. Aggregate personal income will total almost Kcs477 billion, which represents a 2.7 increase compared with this year's plan.

The 1989 Plan is aimed at overcoming stagnation in exports and at a gradual rise in their dynamism. We want to limit inefficient foreign assets and avoid an increase in our external indebtedness.

The orientation of investment policy is based on the fundamental priorities of the Eighth 5-Year Plan. It provides for the development of new progressive branches of the manufacturing industry, the modernization and retooling of the production-technical base of future-oriented branches, and ecological projects.

The Federal Assembly approved the 1989 budget 2 days ago. The demand to peg the volume of investments, inventories, and funds for individual and collective material incentives directly to the financial resources generated is coming to the fore in the interest of a balanced budget. The point of departure of the state's financial and monetary policy is the demand that the amount of financial resources in the hands of the state, enterprises, and the population should match the volume of products and services.

We regard the formation and implementation of new principles of capital construction as one of the main tasks of the government's economic policy in the next 2 years. This area has long been one of the root causes of disproportions and a barrier to a more efficient functioning of the entire economy. We are determined to change this in principle. In the interest of creating a dynamic balance, we must move away from the mere spending of investment funds toward the creation of highly efficient and profitable capacities.

A special government commission that conducted an inquiry into the justification of some 300 major investment projects planned for 1989 and 1990 wound up its work recently. The familiar shortcomings surfaced once again: claims continue to be made for projects for which labor is not ensured, which have a subaverage rate of return, and that do not even have a guaranteed outlet for their products. In view of these conditions, a decision will be passed even before this year is out to halt the construction start of new production capacities until the program of structural changes has been clarified. We are of the opinion that, apart from certain exceptions, our economy does not need the construction of new plants. Production investments must be channeled, in fact, only into new technologies and modernization projects. This is a radical decision, but the sooner we find the courage to carry it out, the bigger will be the problems and losses that we shall head off. We shall put an end to the habit of merely criticizing the existing investment policy concept in general terms without in fact changing anything substantial. The cost of loss-making projects has until now been defrayed by the state. On the other hand, specific people responsible for efficiency and for a rapid return on the invested capital—investors, designers, and contractors—remained anonymous. They did not bear any consequences for inadequately substantiated proposals and recommendations, which they had consecrated in various agencies, and did not participate in eliminating the damage resulting from them. In this regard, too, we shall set out on the path of strict personal accountability. After all, the labor collectives will not be unconcerned should loss-making investments jeopardize the payment of their wages.

A warning example of the management of capital construction—which unfortunately is not unique—is the production of the new "Favorit" passenger car in the National Enterprise Automobile Works (AZNP) in Mlada Boleslav. In the AZNP plant alone, almost Kcs5 billion were invested, which means that budgeted costs were exceeded by Kcs1.6 billion and imports from nonsocialist countries by Kcs1.3 billion. Despite these cost overruns, the plant did not manage to come to terms with the production start this year and will fall short of the planned number of passenger cars.

Putting Consumers' Interests First

Comrades, given the limited availability of resources and the conditions of economic imbalance, the 1989 Plan is aimed at further reinforcing the social orientation of production. Enterprises still place their own interests above consumers' needs. They misuse their monopoly status to enforce one-sided advantages for themselves and to dictate their own terms. A socialist state must not tolerate a situation in which consumers do not have equal rights with suppliers and must content themselves with any standard of products and services. Our efforts to ensure, over a period of time, stability on the domestic market are also connected with this. It is this stability to which we assign the number one position, subordinating the other parts of the plan to it.

We know about the complaints about trouble-spots in supplies, the narrow product range, lack of variety, and unwarranted price increases and we are dealing with them with all due earnestness. We do not underestimate the objective causes of the emergence of the present complicated situation. We welcome the initiative of those enterprises that are increasing their output for the benefit of the domestic market.

We do not regard the extraordinary steps which the government adopted in the recent past as a lasting and comprehensive solution. We are facing the task of devising a well-thought-out concept for the development of the domestic market, which should comprise the expansion of production capacities, including the utilization of parts of the defense industry.

Inexpensive, standard types of goods must always be available on the market in sufficient quantities. The fulfillment of this task must be consistently monitored—in the center, in regions, districts, and individual localities. A balanced market does not depend just on the global decisions of central agencies. It must be systematically and purposefully created at the local level as well; national committees must play a more active role in this regard, while refraining from unnecessary administrative interference.

All cross-sectional and branch agencies and their senior personnel must feel responsible before the party and society for the state of supplies to the population and anticipate that conclusions will be drawn if they fail to discharge their duties. We are confident that Comrade Ministers Josef Rab and Kazimir Nagy, in charge of domestic trade and tourism in the republican governments, will make maximum use of the possibilities provided by the new economic mechanism in order to boost the entrepreneurial spirit of retailing organizations.

Supplies of staple foods are regular and free of major ups and downs. Our farmers and our food industry rightly deserve thanks and credit for this. Despite our virtual self-reliance in this regard, we must not succumb to a carefree attitude. The agro-food complex will operate in the conditions of the new economic mechanism ahead of the other branches, from the beginning of 1989. Enterprises will not find it easy to cope with the new conditions, especially those with a weaker economic base. At the same time, new opportunities are opening up before them to take the initiative themselves in producing and expanding the range of foodstuffs, entering into direct links with retailing organizations, and choosing efficient channels for purchasing supplies and marketing their products. In the interest of greater variety, higher quality, durability, better packaging, regularity of supplies, and permanent availability of products in cities and rural areas, we support the demands for an accelerated development of the food industry.

The weakest element of the agro-food complex are its high costs, the inordinate degree to which the retail prices of virtually all staple foods are subsidized from the state budget. The demand for efficiency concerns this sector as well. Farmers have achieved high grain yields and a high growth rate in meat production. The crucial thing is, however, to produce at substantially lower costs.

In connection with the restructuring of the economic mechanism and with meeting the needs of the population for high quality food products, Comrades Jaromir Algayer, Ondrej Vanek, and Julius Varga, ministers of agriculture and food, have been charged with the task of drawing up a concept of nutrition policy for the years 1990-2010.

We have set ourselves exacting tasks in satisfying people's housing needs in this 5-year plan. Our society spends an annual average of between Kcs20 and Kcs27 billion on this important constituent part of the standard of living. Yet it holds true even for this area that the use of extensive methods, the construction of new housing estates "on green sites," must not continue.

People's demands in respect to the quality of the housing stock and the standard of the infrastructure are increasingly coming to the fore. It is precisely on this count that we owe our people a lot—we repair too little, and valuable assets get lost because of inadequate maintenance. The modernization of older apartments is also progressing too slowly. These difficulties are known and they are rather frequently the subject of negotiations in various agencies. Remedy comes slowly, however, and only in some places. We identify with the public's criticism of the current approaches by planning, financial, control, and other agencies, including the two republican ministries of construction and the building industry led by Comrades Jaroslav Vavra and Ivan Steis.

The situation in housing construction has come to a head in the last 3 years, with the result that the handing over of around 33,000 apartments, 23,000 of which were to be built by contractors, is jeopardized. Even in these matters we are advocates of an open and realistic policy that is in conformity with actual possibilities. We do not think it is right to repeat the mistakes of the past and will not allow incomplete apartments to be counted as complete, or demands on quality to be scaled down.

We are of the opinion that it is within the power of the relevant agencies to improve substantially and within a short period of time the conditions for the development of individual housing construction by simplifying the regulations and improving supplies of building materials.

In its housing policy the party has always proceeded from the principle of combining economic and social considerations, and it will continue to be guided by it. This principle must be given concrete shape in such a way that in every period conditions are established for harmonizing social and individual interests. We must not continue to watch idly how, with the passing of time, the correct aim of protecting the social interests of people, especially families with children, is turned against its original purpose. The social gain of low and greatly subsidized rents is being misused on a large scale to obtain unearned income. Irregularities and instances of injustice in housing policy are among the most frequent complaints and, for the most part, they are absolutely justified. Honest people cannot understand how it is possible that national committees and the enterprises of housing economy run by them tolerate long-term nonpayment of rent, that thousands of apartments are left unoccupied for long periods, and that the troubles connected with acquiring an apartment are being misused for speculative aims, for the illicit enrichment of some people at the expense of others. We support the steps of those national committees that do not put up with this and seek ways of setting things right. The proposed amendment to the housing law, which will become the subject of a public assessment, should contribute to a better management of the housing inventory. We expect the sociopolitical and economic principles of the new housing policy to be prepared in time for assessment by the CPCZ Central Committee session on social problems, planned for the second half of 1989.

A number of sectors in the social sphere suffer from manpower, material, and financial shortages. This is particularly acute in the case of the transportation of working people to a from work, which was also the object of very critical remarks at the last all-trade union conference. Do we have enough buses and drivers, or do we not? At first sight it may seem that they are simply unavailable. But in fact the situation is not quite like that. Unfortunately, we have them in places other then where society needs them most. The far too large and not always economically utilized automobile transportation sector has more than 110,000 official passenger cars with 34,000 drivers. A similar situation exists with the CSAD public automobile transportation enterprise, which is short of thousands of buses. At the same time, enterprises and social organizations own more than 8,000 of them, almost a half of what the CSAD has.

These figures are no secret. But previous attempts to change the situation were thwarted by the jungle of regulations, the narrowly departmental arguments of the relevant bodies, and the unwillingness and indolence of their employees. This causes a feeling of hopelessness and inertia among some of our citizens. If we were to carry on just talking about this mess and criticizing it, the public would not have much understanding.... The regional and district committees as well must—within the framework of their powers—see to it that the transportation capacities are used in the most efficient way.

We regard the demands for improving the material conditions in further spheres of social policy, especially in education, health care, and culture, to be justified. We are also accelerating structural changes and technical development in order to be able to strengthen the entire tertiary sphere as soon as possible. In accordance with the prerequisites created we want to seek further sources for gradually resolving at least the most urgent needs in the course of the year. In this, we proceed from the forecasts contained in the government program statement.

Comrades, the development of our economy in the past 4 decades has revealed that the attempts to manufacture everything ourselves, to isolate ourselves from the external economic environment, have had a very negative impact on scientific-technical progress, the quality of products, and the overall performance of our economy. The important thing will be to become most extensively involved in the world economy, especially through direct relations at the level of enterprises and by establishing joint ventures.

The coordination of the economic policy of the CEMA member states and the intensification of the integration processes and the restructuring of their mechanisms will be assessed at a working meeting of the highest party officials of the CEMA member states in Prague in March 1989. As host country we will strive to ensure that these discussions will help harmonize views on the direction, means, and methods of the development of economic cooperation. We favor having a joint structural strategy for the community and the establishment of a common market. The development of comprehensive, mutually advantageous economic relations with the Soviet Union will also play an important role for our entire economy in the coming period. The federal premier will hold talks with the Soviet side on a number of weighty issues at the beginning of next year. It will be necessary to jointly assess structural plans in production and scientific-technical cooperation and conditions for the broader development of direct relations. In the spirit of the conclusions adopted by the CPCZ Central Committee Presidium on the results of the 19th All-Union CPCZ Conference, we want to clarify approaches to creating the mechanism of bilateral cooperation.

We are also seriously considering the need to fundamentally change the unsatisfactory development in external economic relations. We want to avoid a further growth in indebtedness abroad. We do not intend to fritter away our national income in unutilized external assets. In addition, exports supported by government or preferential credits and the provision of various kinds of foreign assistance must be in proportion to our possibilities in the future. Therefore, as early as 1989 we will begin to modify the structure of our foreign trade.

Let Us Not Get Out of Breath, Let Us Not Retreat Before Obstacles

Comrades, a year ago the 7th CPCZ Central Committee session adopted the document on the restructuring of the economic mechanism. With the distance of the past 12 months we can better see the need for, the complexity, and the revolutionary impact of that decision. The third year of the 5-year plan confirmed that the difficulty of the transition to the sweeping change of the system of management is multiplied by the complexity of the contemporary economic situation.

The speed of progress depends on the ability to surmount barriers that stand in our way. The inertia of the existing practices is a serious obstacle. We are carrying out restructuring under conditions in which the tasks of the plan have been set and mandated by itemization from above; the decisions of enterprises are tied up by the traditional structure of indicators, the central distribution of resources, an unsuitable price system, and other restricting factors. But even in the given situation it is possible to find acceptable solutions—above all, by putting existing untapped resources to work.

It is generally known that we have substantially more and greater resources than we are making use of. Why is that? Where should one start to change this state of affairs? Life has shown that a narrowly technocratic, organizational, or merely propaganda-type answer is not enough. The crucial thing is to concentrate on the more intensive utilization of the great potential of social ownership, of the new production relations in general. Herein lies the essence of the radical economic reform in the Soviet Union, which proceeds from Lenin's concept for building socialism. In our conditions, too, we face the question of how to more fully realize the content of socialist ownership, how to overcome man's estrangement from the means of production, from machines, from the land, and how to combine his personal interest more closely with the needs of society.

Real managers are not made by only executing tasks determined from above. The initiative from below will not be strengthened simply by eliminating gaps in the plan, rectifying errors made by ranking personnel, and catching up on missed deadlines by a last minute rush. This is not the way to eliminate the division of people into those above and those below. The conflicting effects of directives by superiors and the interests of the people in workshops do not generate a profound and lasting personal interest on the part of every worker, technician, economist, and designer in good management within the framework of a worksite or the whole enterprise. Where a man cannot truly make use of his position as manager, there cannot exist a demanding environment of high production performance, exemplary quality, and comprehensive support for innovation and the rapid growth of labor productivity. The idea that the advantage of our system lies in the possibility of making a decent living for poor, or even nonexistent, work has nothing in common with our ideals. On the contrary, socialism is a community of strict recordkeeping, consistent control of work, and well-earned income. Work ethics must begin to be changed from this economic end, and not from reproaches, flattery, threats, or persuation. In the opposite case we will find ourselves in the position of mere preachers.

Apart from state ownership, cooperative ownership also plays a significant role in our national economy. For a long time we regarded it (to our detriment) as being somehow less socialist, as being without prospects. This sector, including the unified cooperative farms, accounts for merely 10 percent of the national income; this is far too little, in view of the gaps which we have in the market of commodities and in services. At the same time we do have good traditions: Our country used to hold one of the most honorable places on the European continent in spreading the cooperative idea. The law on housing, consumer, and production cooperatives offers new prospects to the cooperative movement in its economic and social mission. Together with the Central Council of Cooperatives we must overcome barriers, create greater scope, provide better economic opportunities, and grant far stronger support to cooperative business activities. And the same applies to individual working activities.

It is impossible to make real progress without a basic transition from the passive acceptance of administrative directives to individual initiative, self-control, and self-education, based on long-term and direct material incentives. We will not be able to set society in dynamic motion without such a stimulus. However, we cannot be satisfied with merely reviving the value relations; we must go further and support the people's activity by accelerating scientific-technical progress and by carrying out the necessary structural changes. One of the greatest risks of interfering in the management system lies in the ability to cope (on all levels) with the current systemic and material problems and to organically link the efforts to enhance incentives with the preparation and implementation of basic structural changes.

The transition to a new quality of economic growth requires a radical shift of proportions among the basic national economic complexes; it requires the export sectors to be defined anew, and a change in the positions held by the fuels and power, metallurgy, engineering, and other branches. The draft program of structural changes will be worked out and assessed next year, as part and parcel of the concept of the Ninth 5-Year Plan. We are now confronted by extremely important decisions. A great deal will depend on the quality of our long-term forecasts, on our ability to make a correct appraisal of our possibilities, and on our having the courage to part ways with all that has become outdated, while simultaneously finding the best possible methods of achieving radical transformations. It will not be merely a matter of changing production programs and technologies; it will also be a matter of changing the people's professions, jobs, and places of residence. All this could even give rise to certain conflicts—however, this must not discourage us. Because if we were to become discouraged, we would condemn our country to increasingly lag behind the rest of the world—we would not only threaten the work of preceding generations, but also jeopardize the chances of future generations.

We are carrying out the economic reform on the well-tested foundations of a uniform course followed by both the upper and the lower levels. The justification for such a course has been fully proved, even though we still cannot be satisfied with the understanding and practical support granted in our country to the restructuring of the economic mechanism. This can be blamed (to a certain extent) on the inconsistencies and delays in the course taken by the central agencies. We value the majority of their experienced staff, whom we are counting on for the future. However, so far the management system used for primary links has not changed much. Moreover, even on the enterprise level there is not enough courage, a strong enough determination, and at times even ability, to make better use of the wider scope for entrepreneurial activities. Up to now the hampering factors in this sphere have included the habit of relying on detailed instructions, not risking open clashes, avoiding conflicts by giving in and agreeing to compromises, and hiding behind other people's decisions. That is why we believe it is essential to pay more attention to combining the changes in the management system with the accomplishment of planned tasks and the expansion of democratism.

The beginning of the restructuring process shows that the interlinkage of old and new elements results in serious complications within the management and planning processes. This interlinkage is making the people uncertain and spreads unease among them. It also makes it more difficult for them to understand the true substance of our intentions. The beginning of the restructuring process is (understandably) linked with the desire to achieve practical results as quickly and as extensively as possible by improving the people's working and living conditions. It is obvious that we must strive to achieve progress in all areas of our life as rapidly as possible. However, we are realistic in our appraisal of the situation, and we do not regard the present temporary state of affairs as some kind of target solution. We do not consider it our task to create some immutable system that would be worked out once and for all to the very last detail. We expect life itself will correct a number of our steps—we even expect to have to specify some of our decisions more precisely. However, we believe that the most important thing is not to become stationary, not to run out of breath, not to retreat before difficulties—but to proceed step by step in adjusting the management system to the needs of a dynamic advancement of science, technology, and production relations.

On the basis of a thorough assessment of the situation, after weighing the possibilities and the urgency of the needs of our national economy, the federal government has decided (in the awareness of all the advantages and risks involved) to accelerate the restructuring of the economic mechanism in our country by 1 year, completing it by 1 January 1990. This step was motivated by the endeavor to establish prerequisites for successfully embarking on the Ninth 5-Year Plan in the central and enterprise spheres ahead of time. We cannot afford to lose a whole year by resorting to further provisional measures. We want to make the most effective use of the time we gain as a result of the above decision in order to acquaint ourselves in greater detail with the new economic rules and legal regulations, and prepare our people in the political, as well as professional, sense.

The shorter deadlines will also mean that the time for preparing the necessary political and economic, organizational and legislative decisions will be halved. We expect to introduce extraordinary working regimes, make many proceedings much simpler than they are now, resolve the issues in a flexible and operative manner, and select the most rational courses to follow.

Many difficulties can crop up as a result of time pressure and because of the complexity of matters. In no case will we abandon the principle that drafts of fundamental decisions are to be democratically assessed by the general public, making use of the collective wisdom. We want the public to know who stands behind what and who is for what, and we want it to be acquainted with the arguments both for and against. But we are determined not to permit unhealthy compromises, half-heartedness, and inconsistencies.

Ministries' departments must evaluate the experience of enterprises involved in experimenting and assess the findings from the activity of the self-managing bodies. In this connection I would like to underscore some exemplary enterprises. Tesla of Holesovice, Lachema of Brno, Jablonec Costume Jewelry, the 29 August Works of Partizanske, and others are an example of the fact that progressive changes in production and good management are the fundamental prerequisite for success—on the markets abroad as well. This year convincing structural changes have been achieved, in particular, in the glass and costume jewelry branches, with some collections of textile products, and with small-scale chemical products.

The role of central bodies will continue to grow next year. Their main task will be a timely and thorough preparation of restructuring. We already know some of the risks. Additional ones might crop up. Many of them arise from the current structural and general imbalance, and from demand being greater than supply on the domestic market, as well as in investment. There is also the danger of breakdowns as the supplier-user relations become more extensive. Another important task is to more actively overcome the risks arising from the more rapid growth of personal incomes than the creation of material wealth. We also must not underestimate the effect of deeply rooted habits of the past, of the retarding mechanisms, and of out-of-date regulations.

We regard the thorough preparation of the enterprise sphere as being the most important prerequisite for the implementation of the principles of the new economic mechanism. Without conscious support from economic cadres, party and trade union functionaries, bodies of enterprises' self-management, and entire work collectives, the correct intention cannot yield the expected results. Therefore, we put the central bodies' effective assistance to state enterprises in the foremost place. By this we do not mean the mere issuing of further directives and methodological instructions but, above all, well-thought-out solutions for individual enterprises' specific problems and assistance by means of economic instruments and advice. Also, it will be no less important to indicate difficulties promptly and take a stand on problems that have arise.

With the changed planning methods, and with the center markedly reducing the number and the obligatory nature of allocations and centralized procurement [gesce], we cannot exclude the danger that in some enterprises situations will temporarily occur in the material-technical supply that are more complicated than today. It will be necessary to bridge this period before the system of direct supplier-user relations among individual enterprises is created.

Ministries must concentrate on creating systemic conditions for structural changes, which will make it possible for those in the sphere of economic accountability to prepare concrete drafts for development programs and phasing-out programs. In this, it is necessary to carefully define functions, powers, and responsibility as well. What conclusions must be drawn so that these and other risks in the process of restructuring are as small as possible? In the first place, it will be necessary to regularly assess the extent and the possible consequences of imbalance in individual spheres of the national economy, and on this basis to make practical and systemic decisions on the course to be taken by the central and enterprise sphere. We must also be prepared to eliminate possible mistakes and not forget further steps. The struggle for a more efficient management system does not end on 1 January 1990 or on 1 January 1991.

In the interest of overcoming the atmosphere of insecurity and marking time, and in the interest of stabilizing the apparatus, last November the federal government decided to end the process of reducing the staffs of the federal agencies at the end of the first half-year of 1989. We regard it as a serious shortcoming that some ministers do not pay enough attention to quickly vacating space and to its further utilization. We are aware of how sensitive this matter is, we will not permit discrepancy between words and deeds. We will finish discussing this matter by the middle of next year and openly inform the public at that time.

Putting Wage Practices in Order

Comrades, one of the fundamental objectives of the restructuring of the economic mechanism is to pave the way for accelerating scientific-technical progress, seeking and applying more efficient stimuli for innovation, and enhancing people's motivation to seek, improve, and invent. We do not harbor any illusions that such a change in people's thinking and conduct is going to be easy. Over the course of decades, the established practice has been to stick to accustomed production, to continue along well-trodden paths, to try not to excel too much —conforming to the average has become ingrained. These habits have nothing in common with the well-known traditions of creativity of our workers, technicians, and scientists. It is not enough, however, simply to criticize the current situation. One must purposefully overcome it.

Here, too, we must realistically assess our country's prerequisites and potential. Developing science and technology to the level of the world's best in all sectors is economically unfeasible and unrealistic. In selected priorities we are capable of competing even with the most developed countries. To do this, however, we need specialization. We must decide where we have the best prerequisites and where we have the best prospects. We say without any excuse: If we do not master the acceleration of scientific-technical development, we cannot expect to maintain our current standard of living.

The fifth CPCZ Central Committee session adopted fundamental measures on these issues. The restructuring of the economic mechanism also creates favorable prerequisites for this. Experience has shown how ineffective it is to seek to stimulate scientific-technical progress by administrative methods or agitation appeals. It is precisely here that the strength of the retarding mechanisms, with which the courage, energy, and elan of inventors and innovators more than once waged their unequal battle, could be seen most clearly. However, the technically most developed countries are an example of how important and economically beneficial careful attention to finding, nurturing, and encouraging talented people is. All the more reason why we should give them our respect, approach them sensitively, and give them a chance and comprehensive support.

We have quite a number of scientific institutes and creative personnel. We spend considerable resources for this purpose and we rely on plans and programs. Thus far, everything might seem in order. But when we assess the overall effect of this endeavor, things look different. The practice today is not to thirst after new findings, and even science does not worry much about the needs of life. This is not normal, even though we have all almost gotten used to it. In managing the sector of science we cannot do without creating new, dynamizing innovative mechanisms. In cooperation with the Czechoslovak Academy of Sciences, we consider this to be one of most urgent priorities. The unsuitable way in which science is managed must be overcome, and social commissions must be formulated in the form of state orders.

Thus far, we also have not been achieving the desired progress in the management by scientific institutes. There are quite a few such institutes—among them, for example, the Agricultural Machinery Scientific Institute of Prague, and the Tools Research Institute of Nove Zamky—which do not even generate enough resources for their own work. Subsidies for or the redistribution of resources among organizations are no solution. Total economic accountability is.

The State Commission for Scientific-Technical and Investment Development is supposed to play a decisive role in these matters. Thus far, we cannot be satisfied with its work. Without substituting for anyone else or appropriating for itself the rights of others, it must fulfill its mission better, far more actively, from the positions of world top-of-the-line technical parameters, world prices, and without subjectivist approaches. We expect to be able to submit a report on the realization of the conclusions of the fifth CPCZ Central Committee to the next CPCZ Central Committee session.

We consider the timely and quality completion of the final work connected with the comprehensive restructuring of wholesale and purchase prices as being one of the key prerequisites for the restructuring of the economic mechanism. From this important step we expect the strengthening of economic pressure on reducing the consumption of fuels, energy, and materials, and on a faster drop in the production sector's consumption in general. Not all ministerial departments approach these tasks with the due sense of responsibility. The practice of including all costs in prices, and thus economically unjustified costs as well, persists. World prices are not being adequately used to compare efficiency.

The worst situation is in the construction sector, in which the proposed pricing system does not ensure the basic national economic interests, especially in regard to increasing the amount of repairs and maintenance work. In the interest of adhering to the set level of wholesale prices, instructions went out to adjust them in the course of 1989. But in other sectors as well, things are not in perfect order. We do not regard price-setting as being some sort of one-time administrative matter. We will therefore accelerate work on creating a system for continually updating them.

The issue of retail prices is also coming to the fore in connection with the economic reform. They are a sensitive barometer of the economic development of the state and of citizens' faith in our plans. In this respect, too, the federal government wants to conduct a principled and open policy. We again stress that we are not preparing changes in retail prices for 1 January 1989. We consider it right to systematically analyze the development of retail prices, to rid it of all hint of secrecy and anonymity, and to subject it to public control. Everybody should have the right to judge in which instances and to what extent it is right to make use of our national resources to support retail prices. We still believe that we should have uniform price, wage, and social policies.

Comrades, permit me to say a few words about the wage policy under the conditions of restructuring the economic mechanism. We are aware of the sensitive nature of this issue, which affects the basic interests of hundreds of thousands of our working people. The notion that one is paid for merely appearing at work, and that everybody is entitled to receive both the basic and the performance-related component of wages has become deeply ingrained in our country. The determination to introduce order and justice into wage practices should not perhaps be understood as an endeavor to make people earn less than they are earning now. Quite the contrary, we want to establish conditions for deserved earnings to grow—but to grow on healthy foundations, in proportion to the values actually created. That is why we must no longer tolerate situations in which parts of our production cannot find a sales outlet, and accumulate as stocks of semi-finished or finished products. This creates serious disproportions between the demand backed by purchasing power on the one hand, and the consumer goods and services offered on the other. We trust that the working people will understand and support us in this endeavor—even if it does not happen immediately or without conflicts.

In the future it will not be possible to pay out wages for products that remain in warehouses, or for poor quality goods that will not sell. Most working collectives become concerned when the results of their work are devalued or their selfless efforts are brought to nothing. The government has adopted a number of specific rectifying measures to resolve this problem, which this year alone has involved many billions of korunas paid out in wages which were not backed by performance. Many issues can only be resolved by changing the production programs, or else by limiting or stopping ineffective production. We also want to make more vigorous use of economic instruments. Moreover, the branches of our State Bank will also tighten up their proceedings for granting credit for wages.

We frequently hear people ask how to proceed if an enterprise is not earning enough to cover the wages because of sales difficulties. The answer is: If no profit is made, that part of the wages which comes out of the remuneration fund cannot be paid out. In case of temporary losses, an enterprise will give priority to paying the set wage rates to individuals and collectives—above all to those workers in production sections who had otherwise coped well with the set working tasks. In this instance the financial impact will primarily fall on members of the economic executive staff in an enterprise who are responsible for the production, technical, and sales policy of the enterprise in question. However, should an enterprise show economic losses for a period of more than 1 year, the provisions of the law on state enterprises will begin to apply to it. We must not forget that financial autonomy enhances the material stimuli, not only in the form of possibly higher earnings, but also involves material responsibility for bad management. If we do not have enough courage to establish our wage policy on economic foundations, we will not have any success with the economic reform.

The restructuring of our economic mechanism also raises the problem of reciprocal relations between economic theory and practice—and raises it with the utmost urgency. It is no secret that academic theorizing which is far removed from practical life as well as the uncritical defense of ideas and methods that have been rejected by practical life have seriously harmed both science and our society. We should not close our eyes to the fact that the serious lagging of theory behind society's needs has been one of the causes of the delayed solutions for quite a number of problems in our national economy. In connection with the conditions ready for restructuring and with the preparation and realization of the restructuring process, the theoretical front has, in a sense, become more active. We see in this the beginnings of a substantially greater contribution of our economic science to the development of our socialist society. Life is raising an increasing number of new, frequently unusual and unexpected questions; and it is necessary to adopt the most objective stand on them, in a principled and timely manner.

This also applies to the scientific understanding of the modern form of socialism. Moreover, it must be said (unambiguously and without reservations) that this form of socialism has nothing in common with ignoring the objective nature of economic laws, or with management by directives and administrative methods, or even with some egalitarianism; it has nothing in common with a mixing of economic and social viewpoints, or with the replacement of the merit system by the method of benefits allocation. In order to restructure the management system we need, above all, to analyze (from new viewpoints and in the light of the experience which we have acquired) the conditions under which the transition to a new quality of socioeconomic development is taking place, and the relationship between the economic mechanism, the material development of the economy, and the human factor. We need to analyze the ways in which the socialist ownership of the means of production is implemented, and the relationship between the plan and the market on the one hand, and the role of economic accountability in relations between enterprises and in the enterprises themselves on the other, bearing in mind regional considerations as well. Without a thorough understanding of these economic interrelationships we cannot create any effective incentives for enhancing economic efficiency and developing socialist entrepreneurship. The more important the changes that we try to prepare, the greater need we will have of scientific analyses and forecasts for the selection of the best possible variants. That is why the government expects to broadly involve (in accordance with the Leninist idea of the unity of science and practice) the entire economic front in the preparation of documentation for its decisions.

We Need the People's Initiative and an Efficient Center

Comrades, one of the basic values of socialism—one that has been tested by life—is that it links the planned organization of the national economy with the broadest possible initiative and interest of the masses. It is still widely thought that the essence and purpose of the plan is to direct all activity from the center, to the very last detail, as well as to maintain the strictest administrative control over it. The identification of such an understanding of the plan with both legislative and economic laws has transformed management into office work and made management staff forget how to do business, and how to act and think independently. It has also led to a constant expansion of the management apparatus; it has excessively increased the cost of maintaining this apparatus, diminished its efficiency, and increased its distance from the people's interests. Bureaucratic methods usually lead to a discrediting of socialism and the disparagement of its ideals. That is why today we are reverting (in harmony with the general return to Leninism) to the idea of the working people's self-management, which links labor with management, rights with responsibilities, and initiative with control. We still have a lot to do in order to implement this principle. The experience of the outstanding brigades which operate on the basis of economic accountability shows that we can achieve relatively quick results by following this path.

The elections of self-management bodies and of the directors of state enterprises are also a specific expression of expanding democratism. In a great majority of enterprises these elections have been prepared in a most responsible way. For the most part, they were held in a dignified atmosphere and confirmed the proper selection of candidates. The newly established party committees in state enterprises have played an important role in the elections.

Nevertheless, we must not harbor any illusions about the mass understanding of the mission of self-management bodies. We view very critically the formal approaches displayed by many founders in preparing the elections. In the future the elections of self-management bodies and directors must be much more closely linked with activating the working people's collectives to fulfill the state plan, as well as with making provisions for the further development of the enterprises.

The relationship between economic managements, the party and trade union organizations, and the bodies of socialist self-management is a frequently discussed issue. It is necessary to clarify the basic connections here. Only practical experience, however, will show what works and what does not. We have here one of the essential aspects of the reform of our entire political system. We regard systematic evaluation, in cooperation with the Central Trade Union Council [URO], of the knowledge gained on this issue as an integral part management work.

The economic mechanism that is being introduced will bring with it new conditions for the work of national committees. The strengthening of their self-management status must go hand in hand with the expansion of the economic base. Basically, the principle of financial autonomy applies to them as well. They are being given greater economic independence, which will also mean greater responsibilities for them. In the future they will no longer be able to rely on higher agencies allocating them funds—they will increasingly have to provide for their needs from their own resources. These resources are not small at all, but so far very little use has been made of them.

Their scope for using the immense potential of ingenious people, local production facilities, and raw material resources is expanding. However, all this will require one thing from them—they will have to go over from paper work to business activities, from making demands to expediently distributing and using their resources. The central agencies will have to get rid of the habit of senselessly ordering people about and hamstringing the work of national committees by detailed regulations and useless bans. Minister Marian Calfa, together with the two national ministers of the interior and the environment, must thoroughly check up on the regulations, and do this as soon as possible; he must also see to it that those regulations that unnecessarily restrict the activities of national committees are repealed.

The system of national committees must provide for the closest possible links between the citizens and the top bodies of the state. The basic levels of the system must be built up and vested with economic and administrative powers that enable them to flexibly resolve all the basic needs of our citizens. The CSSR Government, in collaboration with the governments of the two national republics, is currently preparing long-term measures that apply to the structure, status, and activity of the bodies of local state administration.

The national committees are confronted by tasks that are truly revolutionary. The rate at which restructuring progresses throughout society and the extent to which we win over citizens for its goals depend to a considerable extent on the manner in which the national committees are able to cope with their tasks. We are convinced that the deputies, as well as the aktiv and staff of the national committees, will honorably hold their own in this trying period.

Comrades, I have outlined here the federal government's work for 1989. It will be a drive on a broad front, a preparation of exceptionally grave decisions. The successful preparations for the 18th CPCZ Congress and the good transition to the nineties in general depends in many respects on the mastering of these tasks. The winning over and the mobilization of people are becoming the crucial factor. Most people appreciate it when we change everything we can for the better. However, they do not forgive anyone for indolence or dilatoriness, and they dislike embellishment, empty words, and false promises.

I have spoken here about many concrete matters concerning the improvement of people's everyday living conditions. In this respect we know that this does not depend on the government alone. This is the joint task of all of us, no matter in which sector we are working, or whether we are in a leading or a rank-and-file position.

With the majority of citizens, a critical approach is a part of their hopes, an expectation of better times to come. We want to build on this trust. The government will therefore be combining the solution of run-of-the-mill, partial affairs of a short-term nature with the search for solutions for a fundamental transformation of the life of our country. We therefore require that ministries' proposals and recommendations express not only an attempt to achieve an immediate and temporary effect. We would like to see these proposals and recommendations lay the groundwork for a turn to a qualitatively higher standard of production, social relations, organization of work, and greater responsibility. The call for political and social security is justified. It cannot be founded only on yesterday's experience, on cheap phrases, or on general contemplations. It cannot be induced or dreamt out, but one has to work toward it, assert it in oneself and around oneself through tenacious work. In this respect, the basic orientation is provided by the preparations of the new CSSR Constitution, the long-term outlook through the year 2000, the Ninth 5-Year Plan, and a number of other conceptual plans.

We do not need an impotent and unstable center, but a center that is united and efficient. A center strong not by virtue of the idea of omnipotence and its own infallibility, but by virtue of high professionalism, a thorough knowledge of the situation, and profound conviction about the correctness of its cause; strong by virtue of the faith in the ability and wisdom of the people, by virtue of its close ties with the CPCZ and the National Front;

strong by virtue of genuine influence on the entire system of management; and by virtue of the justness of decisions and the consistency of control.

On what do we put the greatest stress in the work of the central bodies?

The foremost task is to comprehensively work out and consistently realize the strategy of the acceleration of social and economic development. Only through fundamental changes in the structure of the production forces and in the system of economic relations and democratism can we proceed toward dynamic equilibrium of our economy. This requires:

1. Working out and implementing a program of fundamental changes in the structure of production based on scientific-technical progress and involvement in the international division of labor. In accordance with that, purposefully implementing gradual changes in proportions among the individual branches and sectors of the national economy.

2 Changing from management by orders and bans to management that makes use of the interests of individuals and collectives, creating strong stimuli for enhancing the efficiency of production.

3. Practicing a national, statesmanlike approach to the implementation of tasks without any departmental or local one-sidedness. Creatively applying the principles of the economic reform without bureaucratic delays and bearing in mind the special characteristics of the individual branches and sectors.

A Healthy Environment Requires International Cooperation

Together with the structural changes and the new economic mechanism, we consider achieving a turn in the poor state of the environment to be the key task of the united centralized management. In this connection, I believe it is right to take a stand on some international aspects of this issue, on which Comrade Mikhail Gorbachev, the highest Soviet party and state representative, voiced important proposals from the rostrum of the UN General Assembly recently.

We welcome those proposals because they also express our standpoints. Our country, located in the center of Europe, is connected with neighboring and other states by the flow of rivers and air currents. We do not want problems connected with the purity of waters and the atmosphere to divide us, to become a source of misunderstanding and suspicion in international relations. We are convinced that there is a better and more favorable alternative. On behalf of the CSSR Government I intend to invite the premiers of all neighboring states to an informal friendly meeting to assess the possibility of cooperation in this increasingly important sphere of common interest.

If favorably received, this initiative could lead to the establishment of a certain Europewide consultative body. If agreed upon, it could develop independent activities within the framework of the UN, the Helsinki process, or within the framework of cooperation between CEMA and the EEC. We would be pleased to make Prague the place where representatives of all involved countries could exchange information and experience, scientific findings, and technical solutions. We are also prepared to actively help find a common language in regard to approaches to building international facilities for the protection of nature, civilization, and the population in Europe.

We consider this offer to be our contribution to the practical implementation of the objectives contained in the document entitled The Consequences of the Feverish Arms Buildup on the Environment and Other Aspects of Ecological Safety, adopted at the meeting of the Political Consultative Committee of the Warsaw Pact member states last July.

Comrades, we are well aware that the fate of our decisions and the realization of our resolutions depends to a decisive degree on the interests, standpoints, and activity of the primary components and, above all, on the united course and coordinated activity of the national committees, state enterprises, and together with them, the local CPCZ bodies and the entire National Front. Such cooperation is born out of concrete work at the base. It cannot be ordered by a decree from above. However, the central bodies can and must create for it the necessary political, legal, economic, and organizational conditions.

What do we expect of state enterprises and their labor collectives? First of all, we want them to fully realize the change in their standing and their extensive rights and wide-ranging opportunities, but also the responsibility and the duties corresponding to this. We do not underestimate the difficulties they will encounter in the period of transition. Everyone will expect innovative conduct from them, but for a certain period of time not all of them will avail themselves of the necessary prerequisites for this. They lack much in terms of technology, financial resources, and cadres, but also in terms of long-term planning. We do not want the working people to have to bear the burden of liability for things for which they are not to blame. Yet they cannot rely on someone at the top to straighten things out for them. We are giving free scope to entrepreneurial spirit and initiative, being convinced that we have talented and thoughtful people who can cope with problems and are able to find solutions. Such people deserve credit, and they can fully count on our help.

What shall we demand of the enterprise sphere?
1. First of all, in accordance with the spirit of the law on state enterprises, it must rid itself of bureaucratism and start to engage in true entrepreneurial activity with all its advantages, intricacies, and risks. As soon as possible it must make the transition to self-financing and to modern

in-house management methods. The principles of economic accountability must be itemized and brought down to the level of individual teams and individual employees.

2. It must stop thinking in terms of partial results, but implement expanded reproduction by satisfying the needs of the national economy and individuals with products and services of high utility value, and do so as efficiently as possible at the lowest possible costs.

3. It must not seal itself off within the national economy, but must develop direct links of the broadest possible scale and set up joint ventures with leading foreign organizations. This should be done in order to gain access to state-of-the-art technology and technological processes and the demanding foreign markets, and to exploit the benefits of the international division of labor.

4. It must base the long-term development of enterprises on a well-thought-out and strong social program, on the increased participation by the working people in the management of production, and on the enhancement of all forms of socialist self-management.

Comrades, in preparing the report on the state and prospects of our economy, we faced the difficult decision on how this complex and, at the same time, exceedingly sensitive issue should be approached. As a member of the generation that has actively given shape to socialism, I greatly value the work that has been done. At the same time, I also feel that I share responsibility for the current state of affairs. In assessing the situation, the possibility appears to focus attention solely on successes, to steer clear of sore spots, to pass over mistakes and their causes in silence. The reasons for this may be understandable at first glance—not to call into question anything that is good, not to give a pretext for an unwarranted exaggeration of inadequacies. In my opinion, however, such an approach is not consistent with the traditions and needs of party policy.

I, too, share the fear of many comrades lest the accomplished results and hard-fought-for gains become weakened. However, I do not think that it would be honest and fair to ignore the complexities of life at present, not to admit the existence of risks, and to rely on the negative tendencies to come to a halt on their own. I reject such an approach. It would neither enlist people's support for us, nor would it rouse them to greater activity.

Building on the fact that most people are not doing badly, which is why they are not overly rushing into the needed changes, would be short-sighted in my opinion. Quite the contrary, we must show them quite openly and without embellishing anything to which end our reluctance or inability to come to terms with the mounting difficulties would lead.

There are things on which we can build and from which we can learn in this matter. The most glorious, triumphant periods of our party's struggles, its grand deeds, and the implementation of its revolutionary mission have been associated with the profound veracity of our policy. Any retreat from this principle, whatever its motive, has always resulted in the loss of its positions, in the weakening of its political influence, and in the lowering of its moral authority. The party has always had to pay a high price for gambling with the trust of its members and the masses. Today, moreover, this could seriously disrupt the party's bonds, particularly with the young generation, and thereby jeopardize the future of our country and socialism.

We need an atmosphere of creative activity, harmonious work, and concerted action in the center and down below, within and outside the party. The greatest source of our concern is the fact that long-neglected problems such as the system of management, the inappropriate structure of industry, or the lagging tertiary sphere are growing in dangerous proportions. Attempts to talk away problems, to find excuses for them, and to sidestep them will not help us in the least. The public wants to hear an open discussion, which is why it is following today's session of the CPCZ Central Committee with such expectations. The courage to call a spade a spade will not do. People increasingly demand specific solutions from us, paths of the further course of action. Only if and when we manage to provide these will people come to understand us correctly and give us their support.

We avail ourselves of resources and experiences, qualified cadres and a promising youth, rich traditions, bold plans, and hopeful prospects. However, none of this will become operative without us putting our shoulder to the wheel. Nothing is for free; success just does not fall from heaven. The only and sole guarantee lies in the concerted efforts of the nations and nationalities of our country, of all social classes and generations. We are confident that as the government of the National Front, which expresses the will of the people and has the CPCZ's support, we are capable of meeting the tasks of the period to come.

Slovak Post of Culture Minister Changes Hands

LD2012120588 Prague Domestic Service in Czech 1130 Dec 88

[Text] The Slovak National Council Presidium today accepted the resignation of Miroslav Valek, Slovak minister of culture, and expressed thanks to him for his work in that post.

At the proposal of the Slovak SSR National Front Central Committee Presidium and of the Slovak premier, the Slovak National Council Presidum appointed Pavel Koys minister in the Slovak Government and entrusted him with the management of the SSR's Ministry of Culture.

At Bratislava Castle, newly appointed Minister of Culture Pavel Koys then took an oath, as prescribed by the Constitution, before Viliam Salgovic, chairman of the Slovak National Council. The ceremonial act in the Federal Hall was attended by Ivan Knotek, member of the CPCZ Central Committee Presidium and Slovak premier, and other representatives.

Bilak Speaks on Foreign Policy at Meeting

AU1912135388 Prague RUDE PRAVO in Czech 13 Dec 88 p 1

[CTK report: "On Tasks of Our Foreign Policy"]

[Excerpts] Prague—A 2-day consultation of ranking personnel and party functionaries of the Czechoslovak foreign service, devoted to topical tasks of our diplomatic service in the period of restructuring, began in the Cernin Palace in Prague on Monday [12 December]. [passage omitted]

Vasil Bilak, member of the Presidium and secretary of the CPCZ Central Committee, spoke about the main tasks of the Czechoslovak foreign policy in the period of restructuring. He noted their close connection with the realization of social and economic restructuring in our country. He stressed that restructuring must not be perceived in a simplified manner as a slogan, but as a long-term, complex program, the realization of which requires selfless work and resoluteness. He further spoke about the conclusions of the latest CPCZ Central Committee sessions, their implementation in practice, and the importance of the CPCZ annual membership meetings to be held next year.

In another part of his speech he spoke about the current international situation. He stressed, in particular, the untiring efforts of the USSR aimed at improving international relations and asserting the new economic thinking, which was also attested to by the proposals submitted by Mikhail Gorbachev at the UN General Assembly last week. He described the comprehensive strengthening of cooperation with the USSR and the other socialist countries as being the priority task of Czechoslovak foreign policy, and in this connection underscored the need to make creative use of their experience. He stressed that in the contemporary multifaceted world one has to cooperate with all political forces to strengthen peace and eliminate the danger of war. For the CSSR this means the more active development of cooperation in the political, economic, cultural, and other spheres with all countries of the world, especially with one's closest neighbors, in the spirit of the CSCE Final Act. [passage omitted]

Correction to Commentary on CSCE Delays

The following correction pertains to the item headlined "Commentary Criticizes Western Delays at CSCE," published in the 16 December East Europe DAILY REPORT on page 18: page 18, column two, subslug should read: Commentary by PRAVDA staffer Jozef Janto... (changing "Janton" to "Janto")

CPCZ's Stepan on 'Official, Friendly' Visit

Arrives, Meets Schabowski

LD2012062688 Prague CTK in English 1540 GMT 19 Dec 88

[Text] Berlin Dec 19 (CTK correspondent)—Czechoslovak Communist Party Presidium member and head secretary of the party Prague city committee Miroslav Stepan met here today with Socialist Unity Party of Germany (SED) Politburo member and Central Committee Secretary, First Secretary of the SED Berlin City Committee Guenter Schabowski.

Miroslav Stepan arrived here earlier today for a two-day official friendly visit to the GDR capital.

The two officials exchanged experience from the activities of their party organizations. Miroslav Stepan then informed his colleague of the results of last week's Czechoslovak Communist Party Central Committee session and stressed that it gave new significant impetuses for the implementation of restructuring in all spheres of life of the Czechoslovak society.

The party officials pointed out the importance of seeking new ways of cooperation between Prague and Berlin. They said that there are wider possibilities particularly in economy, science and technology, including the establishment of direct ties between enterprises and institutions. They stressed the need for closer contacts in environmental protection and in town planning of Prague and Berlin.

Later day [as received], the Czechoslovak Communist Party Prague City Committee delegation visited a services complex in Berlin and got acquainted with the services provided to inhabitants of the GDR capital.

Received by Honecker

LD2112144188 East Berlin ADN International Service in German 1646 GMT 21 Dec 88

[Text] Berlin (ADN)—During talks today, Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, and Miroslav Stepan, member of the CPCZ Central Committee Presidium and leading secretary of the Prague CPCZ committee, expressed the full support of the SED and CPCZ, of the GDR and of the CSSR for peace initiatives put forward at the United Nations by Mikhail Gorbachev.

All opportunities for consolidating international security and for a turn for the better in world politics have to be used so that what has been achieved can be maintained and extended. This was also true for the proposals put forward by both parties and states on disarmament, cooperation, and confidence-building in Europe. The highest commandment at the dividing line between NATO and the Warsaw Pact is responsible, flexible action which are rich in initiatives, to guarantee European security. Socialist foreign policy created in this manner has also met with support among broad strata of the population in all European countries.

Erich Honecker and Miroslav Stepan spoke in favor of deepening all-around fraternal cooperation between both parties and states. Mutual trust, a wide range of contacts between people, the extensive exchange of experience, and advantageous cooperation between many factories and institutions are some of the realities between the GDR and the CSSR. The comprehensive use of all possibilities arising from this will fashion cooperation more effectively and contribute to the solution of the tasks outstanding in both countries.

SED Greets PZPR on 40th Anniversary

AU2112212588 East Berlin NEUES DEUTSCHLAND in German 15 Dec 88 p 1

[ND report: "SED and PZPR Closely Linked by Decades-Long Joint Struggle; Fraternal Greetings of the Central Committee to Warsaw on the 40th Anniversary of the Founding of the Party"]

[Text] East Berlin—The SED Central Committee has sent the following greetings message to Wojciech Jaruzelski, first secretary of the PZPR Central Committee, in Warsaw:

Dear Comrade Jaruzelski:
On the occasion of the 40th anniversary of the founding of the PZPR, we convey cordial congratulations and fraternal militant greetings to you, the PZPR Central Committee, and to all Polish communists.

With the development of a unified party of the workers class, the division of the Polish workers movement, which had lasted for more then 50 years, was overcome after the destruction of Hitlerite fascism and the establishment of people's power in Poland, and a new stage in the history of the workers movement was introduced.

The 40-year work of the PZPR has been characterized by revolutionary changes unprecedented in the 1,000-year history of the Polish people, changes that have been defended against all attacks by the enemies of socialism.

Under the leadership of the PZPR, the Polish people—with sacrificial efforts—have healed the wounds caused by the fascist policy of robbery and destruction and have established a socialist state. It is firmly anchored in the socialist community and is making an internationally highly respected contribution to the struggle for a peaceful future in Europe and in the world.

The SED and the PZPR are linked by a firm class alliance, which is based on the decade-long joint struggle of German and Polish Communists and antifascists and on the principles and ideals of Marxism-Leninism and proletarian internationalism. The close and trusting cooperation between the two fraternal parties has always proved to be the engine and driving force in the further shaping of the strongly developing friendship and overall cooperation between our socialist neighboring states and peoples.

On the anniversary of the founding of the party, we wholeheartedly wish you, dear Comrade Jaruzelski, the communists, and all working people of the fraternal Polish people much success in implementing the decisions of the 10th PZPR Congress for the welfare of the PPR, of peace, and of socialism. The PZPR will always have a reliable ally in the SED.

With communist greetings,
SED Central Committee
E. Honecker
General secretary.

West Berlin 'Recruiting' GDR Citizens as Spies

AU2712122988 East Berlin NEUES DEUTSCHLAND in German 22 Dec 88 p 5

[Text] West Berlin (ADN)—The West Berlin secret service is purposefully recruiting undercover agents to gather information and spy on parties and groups that are critical of the policy of the Diepgens Senate. In this connection, former GDR citizens have also been approached. This was admitted by Dieter Wagner, head of the West Berlin Office for the Protection of the Constitution, during an interrogation by the investigation committee. He mentioned, among other things, that secret service officials had contacted a former GDR citizen at the so-called Marienfelde reception camp and recruited him for espionage purposes. The senator for internal affairs, Kewening (CDU), also knew about this, Wagner stated. After several talks, the former GDR citizen was infiltrated into an "opposition group" and presented regular reports to the secret service. He was ordered to act as an agent provocateur during a demonstration on the occasion of the IMF meeting in West Berlin, and was arrested by the police as a stone thrower. He was instructed to pay a visit to SPD Deputy Erich Paetzold and to obtain information about him. He had to submit regular reports on these meetings to one of the leading agents of the secret service.

SPD's Bahr Speaks at Humboldt on Disarmament

AU1212155888 East Berlin NEUES DEUTSCHLAND in German 8 Dec 88 p 5

[Text] East Berlin (ADN)—Speaking to 350 scientists and students of Berlin's Humboldt University on Wednesday [7 December], Egon Bahr, director of the Institute for Peace Research and Security Policy of Hamburg University, emphatically warned against NATO's plans to undermine the historic INF Treaty under the camouflaged term of modernizing shorter-range nuclear missiles. Behind this is an intention to introduce new weapons that would create a new strategic situation and military options. The idea of compensation means the death of disarmament, the SPD Presidium member stressed. The FRG and the GDR must express their urgent interest in continuing nuclear disarmament. Bahr said that the nuclear overkill capacities of the superpowers correspond to the overkill capacities of tactical and short-range weapons in central Europe. They have to be eliminated. It is not possible to negotiate seriously about conventional disarmament without including these nuclear weapons.

Bahr expressed the hope that the Vienna negotiations on conventional stability from the Atlantic to the Urals will finally start in spring 1989. The nuclear element must be neither forgotten nor placed at the end of the agenda. It must be the goal of the negotiations to put the state of common security of East and West into a treaty. Bahr called on NATO to respond constructively to the disarmament proposals of the Warsaw Pact states. These states have made far-reaching concessions to Western ideas with their offers.

Referring to the relations between the two German states, Egon Bahr stressed that even at a time of global tensions, by means of reason it has been possible to preserve a number of positive results of the previous policy of detente. "We will be able to pursue the ideological conflict only if we survive."

Deputy Foreign Minister Visits Brussels

Meets Belgian Ministry Officials

LD1312215788 East Berlin ADN International Service in German 1726 GMT 13 Dec 88

[Text] Brussels (ADN)—Kurt Nier, GDR deputy foreign minister and Leo Tindemans, Belgian minister of foreign affairs, paid tribute to the good and problem-free development of relations between the GDR and Belgium during a meeting in Brussels today. They expressed the will of their governments to expand and develop cooperation between the two states in the political, economic, and cultural spheres. This would also be an important contribution to the creation of more trust and stability in Europe.

As a result of their discussion of current international issues, the partners in the talk welcomed the new, far-reaching initiatives of Mikhail Gorbachev on the significant unilateral reduction of conventional arms and forces, which are aimed at continuing and deepening the disarmament process with concrete measures. They concurred that everything must be done to make the emerging improvement in international relations irreversible.

In this connection, particular importance is attached to constructive political dialogue and to accords which serve peace and the development of cooperation that is advantageous for all. The Treaty on the Elimination of the Soviet and U.S. Intermediate- and Shorter-Range

Missiles is an historically significant start to nuclear disarmament. Everything possible to avoid a standstill in this process and to stabilize it further must be done. Kurt Nier stressed that the first results in one area of nuclear disarmament must not be ruined by new developments and modernization in other areas.

Kurt Nier is visiting Belgium at the invitation of Jan Hollants van Loocke, general director for politics in the Belgian Foreign Ministry.

Talks With EC Officials on Ties

AU2112211488 East Berlin NEUES DEUTSCHLAND in German 15 Dec 88 p 12

[Text] Brussels (ADN)—On Wednesday [14 December] a meeting between GDR Deputy Foreign Minister Kurt Nier and Horst-Guenter Krenzler, head of the Foreign Relations Directorate General of the EC Commission, took place in Brussels. Both interlocutors paid tribute to the establishment of official relations between CEMA and the EC as an expression of the readiness of both sides to contribute to new forms of East-West cooperation. They expressed the conviction that the shaping of constructive relations between the GDR and the EC are suited to making an important contribution to peace, security, and cooperation in Europe. Kurt Nier stressed the GDR's readiness to shape cooperation with the EC—while taking into consideration the competencies and respective interests—in such a way that it serves the expansion of dialogue and promotes the development of economic relations on the basis of equality and mutual benefit.

Conflict Settlement in Namibia Welcomed

AU2712105988 East Berlin NEUES DEUTSCHLAND in German 23 Dec 88 p 1

[Text] East Berlin (ADN)—The GDR welcomes the signing of the agreements on settling the conflict in southwest Africa in New York on 22 December, said Ambassador Wolfgang Meyer, spokesman of the GDR Foreign Ministry, in Berlin on Thursday [22 December]. These agreements, which were reached as a result of the negotiations between representatives of Angola, Cuba, and South Africa with U.S. mediation, open up the way toward Namibia's independence on the basis of UN Security Council Resolution 435. As GDR Foreign Minister Oskar Fischer stated at the 43d Session of the UN General Assembly, they are to be considered an important step on the way toward a political solution for the conflict in southern Africa. They establish preconditions for ending South Africa's policy of aggression and destabilization against Angola.

The spokesman assessed the agreements as proof that complicated issues can indeed be solved with realism and respect for the legitimate interests of all parties involved. He paid tribute to the constructive and flexible actions of Angola and Cuba, which have essentially contributed to successfully concluding the negotiations.

In conclusion, Ambassador Meyer expressed the hope that the initiated political settlement to the conflict in southern Africa will make it possible to ensure a development in peace and security for all peoples of this region.

Workers Complain About Economy's Shortcomings

AU2012200488 Hamburg DER SPIEGEL in German 19 Dec 88 pp 26-27

[Unattributed report: "Our Inadequate Efficiency"]

[Text] The SED leadership is increasingly coming under pressure in domestic policy. Whereas, so far, it has primarily been the peace groups associated with the Protestant Church and clergymen that have expressed dissatisfaction with East German conditions, now even those people who have been silent since 17 June 1953 are speaking—the GDR workers. They give vent to their displeasure in letters of complaint to the party-state leadership. Forty employees of the Greifswald nuclear power plant (KKW) addressed the following letter to the GDR State Council:

We, the colleagues and comrades of shift A of the "Bruno Leuschner" nuclear power plant, Block 5-8, address this letter to the GDR State Council, in order to express our thoughts about domestic policy problems that cause us concern. At the same time, we request answers to the questions that we are unable to clarify.

For years our staff has criticized as insufficient the supplies of, first, good quality consumer goods, second, the so-called "1000 little things," and third, foodstuffs such as meat and dairy products, as well as fruit and vegetables to Greifswald territory. However, we know from colleagues' acquaintances that this is not a specific problem of Greifswald. On the other hand, our mass media has constantly confronted us with reports on the successful implementation of our economic and social policy.

This contradiction is the reason for many discussions among the people. We see its cause in the lack of efficiency of our national economy, which manifests itself every day in our sphere of work, when we put Block 5 of the KKW into operation. For years the inadequate application of technologies in processes and the insufficient labor organization have led to a waste of our labor force and high investments on our construction site.

Based on our work, we are familiar with the energy situation in the GDR and know that every delay in putting nuclear power plant blocks into operation must be paid for dearly by importing electric power. We are even more worried that, irrespective of existing relevant Central Committee and Council of Ministers' resolutions, no real change is in evidence!

In the area of consumption, in the present price policy we see another proof of our inefficient economy. After the price for the Wartburg 1.3 had been published, many discussions were also held in our staff. We asked ourselves whether it makes economic sense for the GDR to produce a car at such a high expense, which leads to a price that now exceeds the purchasing power of many households. In addition, we are worried by the development of prices for good quality consumer goods. According to statistics, most of the new consumer goods are produced with higher labor productivity than their predecessors were.

As far as we know, an increase in labor productivity leads to a decrease in the value of a product. The price should be an expression of the value. But why has a new, higher price in our country always been justified by reference to an increase in the utility value? For us as energy workers it is particularly incomprehensible that new, energy-saving consumer goods, such as washing-machines... which have a higher utility value, are offered at high prices which do not make it lucrative for broad sectors of the population to buy them. We believe that, on the basis of realistic prices, electric power could be saved in national economic dimensions.

We are aware that every year our state makes available many billions of marks to guarantee stable, low consumer prices for basic necessities, tariffs, and services. We fully approve of this. However, we are asking ourselves more and more often whether the structure of subsidies is still fully in accordance with our socialist principles today.

It is understandable that the low prices for children's clothes are pointed out proudly, even though in many cases they are not for the benefit of our children. Part of our national income goes abroad with the tourists in the form of subsidized children's clothes. Children's clothes in larger sizes are increasingly bought by adults, whereas many schoolchildren in the higher grades cannot wear ready-made children's clothes any more, because of their build. Would it not be more up-to-date to sell children's clothes without subsidies, and to use part of the resources thus released to pay higher children's allowances?

We are proud of our prices for basic foodstuffs, which have been stable for decades. On the other hand, however, more and more often we have seen that people increasingly throw bread away. Here it is not only the small packages that are unavailable, which meet the requirements of elderly or single citizens. Bread and potatoes have also been bought to feed privately owned animals, because "they cost almost nothing."

Our housing rents are heavily subsidized, and we appreciate this. Yet we believe that it would be worth considering to what extent living space that is considerably underoccupied could be vacated and be made available more rapidly to larger households by way of a more differentiated policy of granting subsidies.

We believe that the basic cause of the inefficiency and the problems we described lies in the violation and inadequate enforcement of the performance principle. To be sure, in most areas of our national economy, wage systems have been introduced that are oriented toward performance. But do they really meet our expectations, or are these bonuses not viewed as a firm part of the wage, irrespective of the individual performance? Another element is the fact that three groups have formed among our people, irrespective of the social structure. One of these groups creates its living standard with its daily work. The others, however, arrive at a living standard that in most cases is higher, with a small amount of work, through corruption and so-called "connections" on the one hand, and through possession of freely convertible currencies (primarily Deutsche marks), on the other.

While we understand that economic necessities must be the reason for the expansion of the Intershops and the private transfer of Deutsche marks via our state bank, we are also wondering what is greater—the economic profit or the ideological damage? Many colleagues ask themselves why they are expected to be highly efficient, even though they cannot satisfy part of their needs with the currency they receive for their work—our GDR marks—in our state, or only with a considerable effort....

Of course, it is correct to expound our successes through our mass media. However, why have our media, with a few exceptions, not yet realized the situation as it really is? We live in a time that has brought about comprehensive problems, and the problems we have set out in this letter are partly of such an explosive nature that a quick solution is required!

We are aware that we work at one of the crucial points of our national economy, and we are prepared to make our specific contribution by means of a high performance. However, a necessary prerequisite for this is absolute ideological clarity. In order to understand our party-state policy in its entirety, we need to have an answer to the above-mentioned questions. In this respect, we are particularly interested in the views that the central state side holds, and the way in which these problems are to be resolved. We are confident that an answer to this letter will help us to strengthen our working people's confidence in our country's domestic policy and to further enhance our colleagues' readiness for performance.

The collective of shift A

Block 5-8

40 signatures

Finance Minister Speaks on 1989 Budget

AU2112195688 East Berlin NEUES DEUTSCHLAND in German 15 Dec 88 pp 5, 6

[Speech by Finance Minister Ernst Hoefner substantiating the draft law on the 1989 budget, given at the People's Chamber Session in East Berlin on 14 December: "Budget Characterized by the Proven Course of the Unity of Economic and Social Policy"]

[Text] Esteemed Comrade General Secretary, esteemed Comrade President, esteemed deputies:

As Comrade Erich Honecker, general secretary of the SED Central Committee and chairman of the State Council, pointed out at the seventh Central Committee session, the draft law on the 1989 budget was again characterized by the proven course of the unity of economic and social policy.

The budget represents a further important step toward strengthening the GDR's economy and contains great, challenging, and real tasks, in accordance with our socialist planned economy.

The present draft is based on the principle that only the growth of our country's national income and of the distributable final product increases the leeway that we need to strengthen the GDR's economic power, for the well-being of the people and to safeguard peace. Fully in this spirit, the plan targets are founded on the ideas and proposals of 5.6 million working people in combines, enterprises, and cooperatives as well as in state organs and institutions, who participated in the plan discussions.

The Council of Ministers starts from the assumption that further initiatives will be launched within the framework of the socialist competition in preparation of the 40th anniversary of the founding of the GDR to achieve increased production and high economic results. The achievements for the socialist youth association within the "FDJ Pledge GDR 40" drive are also part of the great social strength.

The 1989 budget targets include the purposeful implementation of the basic agreement on the development of a qualitatively new stage of cooperation between the GDR and USSR national economies, which was concluded between Comrade Erich Honecker and Comrade Mikhail Gorbachev at the end of September this year. The budget also contains steps that have been stipulated to deepen socialist economic integration with the other CEMA member states.

A Total of 77.8 Percent of All Revenues Are To Be Earned by Our National Economy

Esteemed deputies, the draft law on the budget contains the overall task of earning revenues totaling M275.2 billion in 1989. It provides for expenditures amounting to M275.1 billion.

The following factors play a particularly important role:

—The great demands regarding the contribution of the individual branches of the economy to an increase in the national income, which must find their expression in an increasing surplus of revenues as compared with expenditures, and in challenging targets aimed at lowering costs.

—Increasing resources will be used for the sociopolitical program, the core of which is the housing program and which is aimed at the people's well-being.

—Significant expenditures will be made for the comprehensive intensification of production, particularly for microelectronics and for the broad application of other key technologies.

All these tasks require exact economic calculations and efficient work in all combines, enterprises, and cooperatives, as well as in the state organs and institutions. The highest efficiency and socialist thriftiness are the decisive prerequisites for a balanced budget.

Esteemed deputies, the state-owned economy is facing difficult tasks. It has to earn 77.8 percent of all budget revenues in 1989. The state-owned combines and enterprises in the industrial and construction sector will have to account for the major part. The surplus of revenues over expenditures, as a contribution to the increase in the national income, should increase to 110 percent, as compared with 1988.

The planned earning and use of the profits is based on the economic principle of making more efficient use of the qualitative growth factors. In accordance with this, labor productivity should be increased at a more rapid pace, and a higher production level must be ensured on the basis of continuously declining specific expenditure of material and energy.

On this basis, the prime costs of the state-owned economy are to be reduced as follows:

By 1.3 percent in industry, by 1.7 percent in the construction sector, and by 0.4 percent in agriculture and the foodstuffs industry.

By lowering costs and improving the expenditure-result ratio everybody decides at his workplace and on a daily basis on the extent of the means that are at the disposal of our national economy to attain the targets in the economic and sociopolitical sphere.

The high level of the economic yield of science and technology assumes a particular importance in this connection. Comrade Erich Honecker, general secretary of the SED Central Committee, pointed out in an impressive manner at the seventh Central Committee session the convincing economic results that have been achieved through the application of microelectronics.

It is important to set oneself high tasks aimed at saving time and personnel when introducing new products and technologies. It is a fact that today many combines manufacture new products at lower costs than the conventional products, which leads to increased profitability for export. This includes the Microelectronics Combine in Erfurt, the Carl Zeiss Combine in Jena, the "Werner Lamberz" Polygraph Printing Combine, and the Agrochemical Combine in Piesteritz, where costs have been reduced by between 3 and 6 percent, and where the level of profits has been considerably increased. In these combines, the application of the results from science and technology in production is purposefully linked with investments, and the preconditions for this are created through the combines' own in-house production of rationalization means.

The struggle to reduce costs involves continued high-quality production in accordance with international standards. Defective quality, however, leads to economic losses, and is linked with costs for waste, remachining, and guarantee payments. The present budget contains great demands, aimed at preventing such expenditure from the beginning. Combines such as the Electronic Components Combine in Teltow, the "7 October" Machine Tool Combine in Berlin, and others have had good experiences in this field. They have decisively reduced costs by constantly applying the most exacting quality yardsticks to the work of all managers and to the workplaces of all working people.

Dealing Economically and Carefully With the Achievements of the Working People

The targets of the present draft budget are aimed at evaluating such experiences on a broad scale and applying them to achieve economical production. Thus, losses resulting from standstills or idle periods, as well as from defective goods supplied by subcontractors are to be prevented in the first place. It is necessary to deal with the accomplishments of the working people in an economical and careful way.

High economic results can only be achieved on the basis of good socialist enterprise management, which increasingly uses the possibilities of modern computer technology. This includes performance comparison, purposeful work on the basis of cost accounting books, renewal passes, tasking work books, as well as exact preliminary and post-factum calculation of scientific-technological measures for investments and goods.

Good experiences in this sphere are to be applied on a general level. The 16 combines that apply the principle of self-financing on an increasingly comprehensive level have set a good example in achieving high efficiency.

In these combines, the managers have accorded more importance to calculations concerning expenditure and results. This has resulted in an above-average performance increase which makes itself felt in the distributable final product for the population, in ensuring the material basis for production, and in the sphere of exports. On the basis of such economic achievements, profit increases of over 19 percent were stipulated for these combines in the present budget, which is higher than the overall profit achieved by industry.

Extensive Financial Means for the Comprehensive Intensification of the National Economy

Esteemed deputies, considerable financial means will be used this year to continue the process of comprehensively intensifying our national economy consistently and with growing economic results.

An overall amount of M13.6 billion was allocated for measures in the sphere of science and technology, in accordance with the national economic plan. From this amount, the combines and enterprises provide M10.2 billion from their own means, according to the principle of self-financing. The budget provides for expenditures worth M3.4 billion, which will primarily be used for positions of the state plan for science and technology.

Nearly one-third of all financial resources provided for research will be used for the development and broad application of key technologies. In this connection, the Council of Ministers stressed the responsibility of the ministers, general managers, and work directors, even of every individual research collective for ensuring that the existing assets yield high economic results and that expenditures are recouped within short periods.

The same consistency is to be applied with regard to financial means that have been provided by the present draft law for financing the projects contained in the national economic plan. A total of M8.6 billion will be provided by the budget. The sum is above all intended for productive accumulation, the application of high and key technologies, projects in the spheres of energy and transportation, as well as for measures in the field of environmental protection and water management.

The Council of Ministers considers that tackling all projects in such a manner, that every mark which has been invested leads to an increase in the disposable national income and that this is an indispensable characteristic of leadership activity. This makes it necessary for all enterprises to ensure exact calculations concerning costs and results during both the preparatory phase and the phase when investments are made, and to guarantee the realization and accounting of the projects.

The Council of Ministers has agreed on stipulations aimed at increasing state control by the banks and the financing and credit system over the optimum use of investments in order to ensure high efficiency.

Esteemed deputies, on the basis of the resolutions of the 11th SED Congress, the 13th Peasants' Congress has provided long-term guidelines for the struggle for high yields in the fields and for increasing performances in the stables, while simultaneously reducing unit input. In this branch of the national economy, economic reason and the professional ethics of the cooperative peasants and workers provide the basis for making efficient and economic use of the existing assets.

This is the basis for the targets of the present draft law covering the transfer of profits gained from state-owned goods and enterprises of the foodstuffs industry, and covering the economic yield of the agricultural producer cooperatives.

The plan is based on the assumption that agriculture will increasingly become a branch of applied science. It is important to use these opportunities, together with the experiences of the cooperative peasants and workers and their commitment to their tasks, in such a way that the production of vegetable and animal products increases faster than expenditure.

Esteemed deputies, to protect peace and socialism in a reliable manner is and continues to be the principal concern of the GDR's state policy. As Comrade Erich Honecker pointed out at the seventh Central Committee session, we do not overlook the fact that the opponents of any type of disarmament are increasing their activities. For this reason, the extent of our defense efforts does not depend on wishful thinking, but on the degree of the potential threat.

We are shaping the GDR's national defense in the interest of the citizens in accordance with our conditions, the topical requirements, and our obligations within the alliance. On this basis, the 1989 budget provides for expenditures for national defense amounting to M16.2 billion.

Esteemed deputies, in the 40th year of the GDR's existence the increasing efficiency of the national economy will also be used to ensure the material and technical standard of living and to increase it gradually, as was stressed at the seventh Central Committee session.

The valuable influence of our housing program as the core of our social policy is felt everywhere in the people's lives, in their personalities' development, in our towns' and villages' faces, and in the beauty of our socialist fatherland.

In accordance with this, the 1989 draft plan provides for increasing financial means for the construction, renovation, and modernization of apartments, and for the maintenance and running of the existing apartments. From the total of M31 billion that is required in this sector, the budget provides M16.6 billion. It must be ensured that the financial means are used for construction projects that are essential in solving the housing issue as a social problem by 1989.

A Total of M51 Billion to Support Prices, Rents, and Rates

It has to be consistently ensured that the housing fund is managed well and efficiently used everywhere. According to the present draft budget, two-thirds of the costs for the maintenance and running of the state-owned and cooperative apartments will be supplied by the budget, so that rents remain low and stable. Stable prices for basic consumer goods, rents, rates, and services are firm elements of our state's economic and social policy. They are part of the atmosphere of social protection and security for the citizens in the GDR.

Expenditures totaling M51 billion will be provided by the 1989 budget for basic consumer goods, rates, and services. These subsidies from which the people benefit differ fundamentally from the budgets of capitalist countries, where the rich are made richer and the poor are made poorer through the system of subsidies that prevails there.

Esteemed deputies, the fact that the present draft budget provides considerable financial means for the citizens' education, for health care and social needs, and for culture and sports testifies to the truly humanist nature of our socialist society. In this connection, we must not forget that one can only distribute what has been produced and earned.

A total of M16.4 billion will be provided by the budget in the coming year for public education, vocational training, and advanced training for adults, as well as for the sphere of technical schools and universities. This amount includes M2,015 per child for education and protective care in a kindergarten; M2,370 will be provided for the training of every schoolchild.

The draft budget provides for expenditures totaling M18.4 billion in the health and social sphere. Nearly one-half of these resources will be used for the health care for citizens in hospitals, polyclinics, out-patient clinics, and medical practices.

The budget of the coming year provides for expenditures totaling M1.5 billion for the loving care for the youngest members of our society in nurseries. A total of M3.4 billion will be made available for child benefits and birth allowances.

Increasing financial means will be provided for the care for our older citizens in old people's homes and nursing homes, as well as for care at home.

Social security, with all its services, is another aspect of the comprehensive social policy in our country. In addition to the contributions of the working people, enterprises, and other institutions, subsidies amounting to M18.2 billion will be provided by the budget in 1989. Thus, a total of M37.4 billion will be available for social security, including the payment of rents, medical care for citizens on the basis of a social insurance system, the procurement of pharmaceuticals, and sickness pay and services for mothers.

The draft budget includes financial means to bring about the comprehensive increase in pensions as of December 1989 which has been adopted.

Sick Persons Are Not Made To Pay in Our Country

Further increasing social services are gaining social weight in our socialist GDR, in view of the dismantling of the welfare system in capitalist countries. The health reform bill that was recently passed by the FRG Bundestag and which was intended to reduce costs is nothing but an attempt to shift the burden onto the sick. No matter whether hospital stays, pharmaceuticals, dental prostheses, medicines, various aids, and cosmetics—including wheelchairs, eye patches, and many other things—are involved, the sick person is always made to pay.

Esteemed deputies, our state will again provide considerable financial means for culture and sports, for recreational facilities, and for the young to permit the development of comprehensively trained personalities. For this sector alone, the 1989 budget provides for expenditures totaling M5.1 billion. The state-owned combines and enterprises will provide an additional M1.9 billion from their funds.

Considerable financial means will again be made available for the non-production sectors in 1989. This entails the responsibility to achieve the best possible results in the people's interest.

When implementing the 1989 plan, all enterprises and combines of the national economy are confronted with the task of launching a broad initiative, aimed at the economical use of the material and financial means and at returning means that are not needed to the state.

Every item has to be analyzed, and careful examinations are to be made of how social property can be maintained, used, and increased so that what has been achieved so far can be increased for the people's well-being.

The Council of Ministers has obliged the competent state organs and institutions to devote the utmost attention in the realization of projects to the strict observance of the agreed austerity measures, which are essential for achieving a growth in social wealth. This applies both to the central level and to the spheres of responsibility of local bodies.

Increased Contribution to Growth of National Income

The present draft budget contains challenging targets for the local people's representative bodies and their councils, which are aimed at increasing the contribution to the growth of national income and its efficient use.

In accordance with the economic tasks, the present draft budget provides for the revenues and expenditures of the local budgets of the capital of the GDR, the bezirke, kreise, towns, and villages totaling M56.6 billion.

This is based on a high increase in performances and efficiency, particularly in bezirk-administered industry, in local construction, and in the sphere of agriculture and the foodstuffs industry, in the locally administered transportation sector, in trade, and in the supply industry.

The Council of Ministers draws the attention of the local people's representative bodies and their councils particularly to the importance of tapping all reserves for a favorable performance development by means of comprehensive intensification, and to the importance of tangibly reducing costs and earning larger profits.

Repairs and services for the people are to be expanded by craft production cooperatives and private craft enterprises, for which the present draft budget will provide subsidies totaling M235 million.

The Council of Ministers has decided that the proven forms of cooperation between combines, enterprises, and cooperatives is to be continued for the benefit of the people, and that the committed participation of the citizens within the "Beautify our towns and villages—join in" drive is to be comprehensively organized.

State Finances Even More Transparent

Esteemed deputies, with the present draft law we will continue the practice of presenting a comprehensive breakdown of the contributions that are made by the individual sectors and branches of the national economy and by individual citizens to finance the state tasks that concern all society.

The tasks set for 1989 are broken down more comprehensively and have been expanded. By providing more clarity in the specific purposes for which the expenditures are used, the responsibility for a more efficient and economical use of the state's financial means increases.

As a consequence, financial and bank control must be increased at the same time, so that the total amount of the revenues stipulated in the budget is earned and so that the financial means are used for the planned tasks with the highest efficiency.

Esteemed deputies, on behalf of the Council of Ministers I ask you to approve the draft for the law that has been presented.

Nemeth Interviewed on Budget Decision

LD2212184388 Budapest Domestic Service in Hungarian 1500 GMT 22 Dec 88

[Interview with Hungarian Premier Miklos Nemeth by reporter Tamas Forro—date and place not given; live or recorded]

[Text] [Announcer] In the corridors of the National Assembly our colleagues always try to obtain opinions and background information. On this occasion, Tamas Forro asked Premier Miklos Nemeth for an interview about the budget decision and the debate on the tax.

[Begin recording] [Forro] You have now had a chance to sleep on the budget. What is your feeling, will the country remain able to function? Will the government be able to function?

[Nemeth] Yes, I definitely feel it will. It is of very great significance that parliament has been able to decide, even if in the end it was not the proposal by the government which the National Assembly approved. I would like to add, however, that although this adopted budget has been described as the fourth version, it does in fact retain the hallmarks of the second version submitted by the government, with the distinction that they have proposed that certain modifications should be made. I therefore do not consider this as a defeat. I would by no means make, and we have not made, a prestige issue out of this since it is much more important than this. We can prove to the world that this reform program, or this stabilization program, is supported on the financial side, in internal connections, by internal balance conditions as well.

I would like to mention one other positive aspect of the decision taken yesterday. We have to heed the warning—and it must also give us strength in the future—that the National Assembly, and perhaps society, too, more and more are recognizing—individual people are becoming more and more aware—that the superfluous supports have to be dismantled, that the necessary tensions must be shouldered, because this is the only way for us to get out of the deadlock. In this sense I felt yesterday's decision by parliament was a positive message. At the same time it would be very good, and I would be very pleased, if the government were to obtain the necessary political and professional support both from parliament and from public opinion—not only in the recommendation stage, that is to say in the decision-taking stage, but also when we begin to implement in practice this budget, which, as a matter of fact, is about to launch a very big transformation.

[Forro] What do you mean exactly: a budget that is about to launch a very big transformation? Where do you believe the center of gravity lies?

[Nemeth] I believe that the center of gravity lies in this: that in the dismantling of the supports we shall at last now be able to make a start, even if not with the originally conceived amount of 40 billion forints, then with a figure almost approaching that. I consider it to be important that we have got closer to the 40 billion than the proposal submitted by us—because it has been proved that when one sets about such a harsh and massive issue, at the beginning one needs to do it on a greater scale and at a greater tempo. Because if we lose the impetus at the beginning, then social pressure and the appearance of various lobbies could perhaps depress, not the government, but the social community in which this has to be implemented. So, in this sense, I was particularly pleased.

[Forro] How far will this budget influence our position with the World Bank? Because according to certain experts, in the case of a budget deficit of 5-10 billion relations between the World Bank and Hungary can continue to function normally.

[Nemeth] The decision taken yesterday has strengthened our position with the World Bank and the continuation of discussions with the IMF. I am convinced that in the course of the discussions which will begin at the start of the next year we shall be able to agree on a 2-3 year program-supporting proposal, which is also important for us in that, according to indications from the IMF and the World Bank, the international world of finance, the commercial banks should in future continuously guarantee us the necessary financial support.

At the same time it cannot be denied that this budget still has some weak points. To give only one example, on the side of revenues the budget has calculated at 6.5 billion forints the amount accruing from the sale of existing state property. We have never done anything like this. For this reason it would be very good if in the course of the year this were to enter our budget not as a failure and not as a risk element, in other words, that this amount would flow into the budget. But I would like to add that it is not primarily the financial aspect of this which I consider to be important, but that this, too, should trigger market-building, that in this way we should dissolve the monopoly situations, that rationalization should be asserted in areas where so far it has not been asserted, so that, in the sphere of services, in commerce, where it is obvious that we should get rid of the great bureaucratic overheads, of superfluous material and other general expenditures, there, too, the launching of such a program is necessary. [sentence as heard] At the start of next year the government will launch this at a conceptual level, that is to say after having discussed the concept, and it will make it the task of every ministry to support this program in its own area.

[Forro] The National Assembly has adopted next year's budget. I suspect, however, that the Hungarian people, Hungarian society, does not know what this means for it.

[Nemeth] I would dispute that because, at the last session, in the speech by Janos Hoos, public opinion already became acquainted with the outlines of next year's budget. Certain details were introduced there, as an indication. Out of this, what concerns public opinion primarily of course, is that the price increases, which were variously rumored, are not yet known. We will make a decision on this at the first government session next year. And I think that even here nobody can be surprised, because both in Janos Hoos's recent speech and the present expose by the finance minister, the areas to which the price rises will apply have been listed.

[Forro] During your 5 weeks' career as premier, has it yet emerged whom you can rely on and whom you cannot?

[Nemeth] As I indicated in my first, so-called brief maiden speech, I watch everyone and I would like to qualify everyone on the basis of their work, capability, and approach. During the 5 weeks I have conducted three sessions of the Council of Ministers. This is still not enough for me to gain the experience to make a responsible statement now. I have some ideas, but I would like these to be confirmed or refuted by experience.

[Forro] Yes, but in your speech on Tuesday [20 December] you said that this government was not yet your government.

[Nemeth] I accept that. I accept it. But I ask for more time to be able to conclude this gathering of experience to my own satisfaction as well.

[Forro] Have there been any indications from abroad in connection with your intentions and endeavors in your career as premier?

[Nemeth] Our partners do not feel that the change of premier has led to any uncertainty in Hungary's reform policy. There remains no doubt that we want our determined reform program to be implemented, which personally I want, too.

[Forro] Have you also received any concrete support?

[Nemeth] Well, so far I have only been able to take up concrete relations with a few foreign partners, and not even with the top leaders. On the other hand, the letters I have received are encouraging.

Assembly Approves Social Security Bill

LD2212205488 Budapest MTI in English
1814 GMT 22 Dec 88

[Text] Budapest, December 22 (MTI)—On Thursday afternoon, the third day of the December session of the Hungarian National Assembly, Minister of Social-Welfare and Health Dr Judit Csehak submitted a bill on the establishment of the social security fund. The minister said this is the first step in the reform of social security, when social security is separated from the budget. Its main feature is that social security be independent and manage its own revenues, and be able to invest its temporary liquidity surplus on the money market. Social security capital should be handled by its own bank, which should have a balancing role on the money market.

The operation of the social security fund, the management of social security contributions should be regularly reported to parliament, according to the proposal, simultaneously with the budget.

Foreign insurance experts were included in the transformation of the social security system, said the minister and added: The place, role, means of direction and supervision of the new institution of social security is to be regulated by a separate law, which is to be worked out in the first half of 1989.

The MP's unanimously approved the bill.

Minister Submits Foreign Investment Bill

LD2212214288 Budapest MTI in English
1945 GMT 22 Dec 88

[Text] Budapest, December 22 (MTI)—Late Thursday afternoon, Minister of Culture and Education Tibor Czibere submitted the bills on the vocational fund and vocational contributions to parliament. Under its terms, the economic organs are obliged to financially contribute to the costs of vocational training. They shall, however, be exempt from the payment obligation to the vocational fund if they take an active part in the practical training of skilled workers. The MPS unanimously approved the bill.

Following, Minister of Justice Kalman Kulcsar submitted the bill on foreign investment in Hungary, which contains all measures related to the investments of foreigners in Hungary. The regulation is raised to the level of a law to provide greater security for foreign investors and their domestic partners.

Alongside the state companies and cooperatives, foreign investors will also be able to form associations with domestic natural entities and small entrepreneurs. Ventures of 100 per cent foreign ownership may be set up. If the foreign share is less than 51 per cent, no administrative permit, including the permit of the foreign exchange authority, is required to set up or to join such associations. To eliminate bureaucratic delays and red-tape, a decision on granting the permit required for an over 51 per cent share has to be made with in 50 days.

As well as tax benefits, the bill provides several benefits to foreign entrepreneurs, including the right to acquire the proprietary right of the property and the employment of foreign staff. The bill ensures protection to foreign investments against expropriation and other similar measures, and makes it possible to freely transfer financial deposits, and profits in the currency of the investment. The Hungarian People's Republic accepts the major economic policy risk that more convertible currency might flow out of the country than is invested, the minister of justice said.

Minister of Justice Kalman Kulscar went on to note they wish to vigorously develop direct inter-company relations and economic cooperation with the CMEA countries. It is expected multilateral and bilateral joint ventures will be of considerable importance.

The minister referred to the anxiety of whether such measures would result in selling off the country. He stressed that the Hungarian Government will continue to have all means available to ensure that foreign ownership comes about in Hungary only in the degree and proportion we desire. For the time being, however, we should not consider restriction but rather encouragement, Mr Kulcsar noted. We should not forget that the flow of foreign working capital is not a one-way street, Hungrian companies may also set up joint ventures abroad, he said.

In the following part of his report, the minister called attention to the fact that the economic associations operating with foreign participation are qualified as domestic economic organizations, in spite of the benefits and exceptions.

Following the approval of several clarifying proposals, parliament approved the law on the investments of foreigners in Hungary.

Budapest Party Committee Makes Personnel Changes

LD1912234988 Budapest Domestic Service in Hungarian 1730 GMT 19 Dec 88

[Text] It was decided at today's enlarged session of the Budapest Party Committee that the party conference will be convened in January.

It will debate the political tasks of the new year, and will propose to the Budapest party basic organizations that, in open meetings, they should call for cooperation from those citizens who are ready to implement these comprehensive economic and social reforms.

At today's session, the Budapest Party Committee amended the tasks of the apparatus, with the aim of putting the politicizing movement aspect in the forefront, and simplifying its organizational make-up.

The Budapest Party Committee relieved Pal Ivanyi of his membership of the party committee, with recognition of his merits, due to his recent election as Central Committee Secretary. They also relieved Istvan Lehoczky from his post as head of department, as he was elected deputy chairman of the Budapest Council. Tibsor Zatureczky has retired. Bela Katona, first secretary of the 18th district party committee, was elected secretary of the Budapest Party Committee.

Independent Trade Union League Founded

LD2012065988 Budapest MTI in English 1631 GMT 19 Dec 88

[Text] Budapest, December 919 (MTI)—The Democratic League of Independent Trade Unions (FSZDL) was founded on Monday in Budapest. The league was set up in the spirit of trade union solidarity, and is independent of parties and superior trade union centres. FSZDL supports the founding of further independent trade unions, the development of an independent trade union movement.

The Democratic League of Independent Trade Unions is open to all forms of cooperation which does not curtail the independence of the participants. All independent trade unions that approve its fundamental principles can be members. (To date, independent trade unions have been set up by teachers of handicapped children, film experts, scientific workers and teachers.)

The Democratic League of Independent Trade Unions has decided to initiate a joint action against the planned amendment of the labour code which, in their view, curtails the trade union rights, and against the law on the right to strike, currently under preparation. At its founding session, the FSZDL welcomed the participants of the teachers' demonstration, and ensured its support for the action.

Newsmen Briefed on Toxic Waste Investigation

LD2812130888 Budapest MTI in English 1238 GMT 28 Dec 88

[Text] Budapest, December 28 (MTI)—Two hundred and forty barrels of chemical solutions and paint residue containing heavy metals have been recovered in an investigation conducted jointly by the Ministry for Environmental Protection and Water Management, the police and the public health authority, ministry officials announced in a press conference on Wednesday.

Last autumn the police received several reports on the reckless way in which the Kiskunsag State Farm got rid of the toxic waste from its chemical and waste recycling facilitity simply by burying it in the ground.

The ministry and the police started an investigation during which it became clear that 400 tons of highly toxic waste had simply disappeared. Soon afterwards the 240, 200-litre barrels were recovered but the investigation goes on as there are still several hundred tons more toxic waste missing.

Grosz Visits KISZ Headquarters
LD2212030988 Budapest MTI in English
2125 GMT 21 Dec 88

[Text] Budapest, December 21 (MTI)—Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party, visited the headquarters of the Communist Youth Union of Hungary (KISZ) Central Committee on Wednesday evening [21 December]. Mr Grosz held informal discussions with KISZ leaders about the relation between the party and young people, the tasks facing the HSWP, and the reorganization of KISZ. Discussing this latter theme, Mr Grosz ensured his support to the new-type initiatives of KISZ.

Youth Federation Proposes 'Green Front'
LD2012062088 Budapest MTI in English
1352 GMT 19 Dec 88

[Text] Budapest, December 19 (MTI)—The Presidium of the Youth Federation for Environmental Protection (IKSZ) proposes that those organizations having an environmental programme should set up the Green Front, journalists were told on Monday.

The Youth Federation for Environmental Protection was set up on October 8 and has 640 members, predominantly students. The Federation is seeking to provide information for environmentalist groups, foster relations with them, coordinate their work and protect their interests.

Several groups have an environmental protection programme in Hungary, but they are not actively seeking cooperation. According to IKSZ, the Green Front should be set up to do away with the contradictions within the movement and facilitate joint action. The Front, however, should not be a restricting summit, but a forum for action based on variety.

In a letter sent to the prime minister on November 15, IKSZ asked for permission for one of its representatives to participate in the work of the Social Control Committee of the Gabcikovo-Nagymaros barrage system. The news conference was told that, to date, no reply had been received. The leaders of the organization are of the opinion that the completion of the barrage system should depend not on the construction of water-purifying establishments but on the results of water-purity tests. They think that the dam itself will cause severe damage.

Current Affairs TV Program Takes New Direction
LD2712142788 Budapest Domestic Service
in Hungarian 1300 GMT 27 Dec 88

[Text] The television program "The Week" which is being renewed, will continue to be broadcast on Sunday evenings at 1900 for 1 hour. Hungarian television's chairman Gyula Bereczky said in an interview to ESTI HIRLAP that the program will now come under the "Newsreel" editorial direction. The aim of the change is that "The Week" will be prepared by internal and external colleagues who are most expert in individual spheres. The chief editor up to now, Andras Sugar, will work in the foreign political editorial office of Hungarian television.

Gyula Bereczky also referred to the fact that the present reorganization is a part of the process of simplifying organization within television.

Nemeth Meets With Children of Refugees
LD2312200988 Budapest MTI in English
1650 GMT 23 Dec 88

[Text] Budapest, December 23 (MTI)—Hungarian Prime Minister Miklos Nemeth met a group of children of Transylvanian refugees, in parliament building on Friday.

The children wre invited to a short Christmas celebration in parliament, and received gifts of the government afterwards. Mr Nemeth also attended the tea given to the children.

Mr Nemeth said that the symbolic present of the Hungarian Government was intended to bring joy to the children, and through them to all Hungarian and non-Hungarian children who arrived from Transylvania, and their parents. The present expresses the effort of the Hungarian Government to ease the problems which face the children. In conclusion, the chairman of the Council of Ministers asked the children to foster the traditions, culture and knowledge that Hungary had accumulated over the many centuries, at times seceded from, at times in unity with Transylvania.

Official Queried on Romanian Refugee Problem
AU2312120388 Budapest MAGYAR HIRLAP
in Hungarian 19 Dec 88 p 5

[Interview with Deputy Interior Minister Zoltan Gal by Tibor Franka: "Almost 13,000 Refugees Have Received Residence Permits So Far—Authorities Are Considering the Establishment of Refugee Camps"—date and place not given]

[Excerpts] [Passage omitted]

[Franka] How many people had fled Romania by mid-December 1988?

[Gal] The number of residence permits issued so far exceeds 12,500. Unfortunately, as nothing has changed in the situation that emerged in Romania at the end of last year, we will have to face an influx of more refugees. At the same time, we continue to claim that massive resettlement cannot be a solution for the Transylvanian Hungarians. It is impossible for 2 million people to leave their homes. Such a move would benefit neither them nor us. Their individual and collective human rights should be guaranteed in their homeland. However, from humanitarian considerations, and last but not least, from awareness of our Hungarian national feeling and a feeling of responsibility for these people, we accept those Romanian citizens who are leaving their homeland as a result of the disadvantages they encounter as a result of being a national minority.

[Franka] However, one can increasingly hear of cases in which the Hungarian authorities have returned refugees to their homeland.[Gal] Indeed, there have been such cases.

[Franka] Why?

[Gal] Because, although very few, there are among them also criminals, drug addicts, mentally deranged, or minors who have fled without the consent of their parents. In such cases, the final decision rests with a three-member committee. [passage omitted]

[Franka] As is well known, it would have been almost impossible to deal with the refugee affair without the help provided by various organizations, work places, and churches. At the same time, the National Assembly adopted a settlement fund of 300 million forints. How is this sum used?

[Gal] This fund is used primarily to assist bodies, like local councils, institutions, and churches that have created the conditions for resettling these people. We have spent 40 million forints on such aid so far. However, this sum will probably double by the end of the year because we also use this fund to help to create housing and temporary accommodations for these people, and this process has accelerated lately.

[Franka] What happens if the number of refugees continues to increase?

[Gal] We will probably have to consider establishing refugee camps. [passage omitted]

[Franka] Many refugees complain that, just like at home, they cannot take up ventures or engage in politics here either, and they have to sign a declaration about this at the borders.

[Gal] There is no such declaration anymore. As for engaging in politics, we already allow these people to establish various self-help and cultural organizations, and both the interministerial committee and other state bodies are glad to cooperate with these organizations. However, I think it is only natural to demand that these people should not violate Hungary's interests. [passage omitted]

Customs Accord With USSR Signed

LD2312141788 Budapest MTI in English
1257 GMT 23 Dec 88

[Text] Budapest, December 23 (MTI)—Vladimir Bazovskiy, head of the state customs office affiliated to the Council of Ministers of the Soviet Union, held talks in Hungary from December 19 to 23 on possibilities for the further development of cooperation between the two customs services, the simplification of customs procedures and the coordination of checks on the common border. An agreement was signed on streamlining the checking of commodities and other properties delivered under new forms of external economic relations, in order to promote goods deliveries resulting from the operation of Hungarian-Soviet joint ventures.

Another agreement signed during the visit concerns the import and export of the personal belongings, domestic currency and foreign exchange values of citizens crossing the border under the simplified order. The document lays down the customs and foreign currency regulations designed to facilitate contacts between people living on the two sides of the border.

Imre Nagy Visits Moscow 19-20 Dec

LD2112025288 Budapest MTI in English
1939 GMT 20 Dec 88

[Text] Budapest, December 20 (MTI)—Imre Nagy, first secretary of the Central Committee of the Communist Youth Union of Hungary, paid a working visit to Moscow from December 19 to 20, on the invitation of the Central Committee of Leninist Komsomol. Talks were held with Viktor Mironenko, first secretary of the Central Committee of Komsomol, on the most important tasks faced by the two organizations, and possibilities for the intensification of cooperation. A great deal of attention was given to the planned changes in organization, the modernization of representative work, the approach to new youth groupings and preparations for the election of people's representation.

LCY Delegation Visits, Meets With Leaders

LD2712113288 Budapest MTI in English
1020 GMT 27 Dec 88

[Text] Budapest, December 27 (MTI)—A delegation of the League of Communists of Yugoslavia (LCY), headed by Tomislav Ribaric, member of the Presidium of the Central Committee of the LCY League of Communists of Croatia, visited Hungary from December 19 to 24 at the invitation of the Central Committee of the Hungarian Socialist Workers' Party.

The delegation met Janos Berecz, member of the HSWP Political Committee and secretary of the Central Committee.

The delegation held talks with Geza Kotai and Istvan Petrovszki, members of the Central Committee and heads of department at the CC. The LCY delegation was informed on party policy work since the national HSWP conference, the topical tasks of regional party organs, and the renewing activity of the social and mass organizations.

Nemeth Receives West German Businessmen

LD2312141688 Budapest MTI in English
1315 GMT 23 Dec 88

[Text] Budapest, December 23 (MTI)—On Friday Miklos Nemeth, chairman of the Hungarian Council of Ministers, met in parliament Peter Tamm, president of Springer Concern, and Josef von Ferenczy, owner of Ferenczy Verlag, who arrived in Hungary to sign the Hungary-FRG agreement on publishers' cooperation.

Olechowski Interviewed on PPR Foreign Policy

AU2312145188 Warsaw TRYBUNA LUDU in Polish 20 Dec 88 p 5

[Interview with Tadeusz Olechowski, PPR minister of foreign affairs, by Tadeusz Szkamruk: "Support for the Process of Reforms and National Development is a Basic Assumption of Polish Foreign Policy"—date and place not given]

[Text] The main topic of the most recent meeting of the Consultative Council attached to the office of chairman of the State Council was Polish foreign policy. Members of the council made a great many observations and assessments, and asked a large number of questions. The council's Secretariat provided a PAP journalist with copies of authorized statements made by participants in the session that are being prepared for publication. They were used in an interview with Foreign Minister Tadeusz Olechowski on some of the issues and problems that were raised at the meeting.

[Szkamruk] In your speech at the meeting of the council you talked about priorities in Poland's international activity, and you placed great emphasis on the openness of Polish foreign policy with respect to, as you put it, "all azimuths." The direction of policy toward Europe was also something that featured very prominently in the debate and the statements that were made...

[Olechowski] Yes, and I do not see this being in any way contradictory. Openness has become a characteristic feature of our relations with the rest of the world. The conditions that exist today are particularly conducive to openness—the introduction of new thinking into international relations, the gradual democratization of international relations, a definite improvement in the climate of East-West relations, greater opportunities for action on the part of small-and medium-sized countries. At the same time, this creates opportunities for the bolder use of the achievements of others in a way that is free from ideological prejudices. This element is particularly important in light of the basic assumption of our foreign policy—that is, it hinges on support for the process of reforms and national development. This is why our attitude is one of openness with respect to all our partners, various directions, and all areas. This is not some kind of pseudo-globalism. The decisive factor is our national interest and ensuring—from our rightful position in Europe and the rest of the world—that we can search for and exploit all the opportunities that exist for contacts and cooperation.

Against this background, the direction of our policy in Europe seems entirely natural, as this is where our basic interests and aspirations are concentrated. We are not just following the changes that are taking place in Europe with great interest, we also want to actively participate in creating and encouraging the process whereby the sense of a common European identity is being revived and in fostering unity on the continent. Today, the idea of a "common European home" is only a vision, but it already is a subject that is being discussed and it is beginning to acquire a permanent place in the list of issues that are the subject of bilateral and multilateral international dialogue. We are pinning certain hopes on this. I believe in Europe.... Everything is possible, but on the condition that we do not end up somewhere in the backwoods of Europe politically, economically, and socially, and there would be a danger of this happening were it not for the fact that we have launched an effort to reform the country.

Us and Europe—with all the related opportunities, challenges, and dangers—is a great, important subject that calls for both imagination and realism in thinking and bold reassessments. This subject goes beyond the scope of our conversation, but I would like to emphasize a number of issues to illustrate this need for a new approach. Our perception of Poland's location in Europe has been encoded in terms of historical fatalism, the friction between two adjacent elements (and not just that), between the powers that are our neighbors ("between Germany and Russia"). For centuries, this, in a sense, syndrome concerning our location on the map gathered strength, and there were good reasons for this. However, today we are trying to reverse things, we are trying to go over to a positive way of thinking, and to exploit Poland's position in the center of Europe, at the junction of East and West. After all, are we not more "sensitive" to certain European issues than others?

[Szkamruk] As we are on the subject of Europe, I cannot bypass the question of Germany. This was something that was raised by many members of the Consultative Council. Mr Minister, what is your assessment of the current state of relations with the FRG?

[Olechowski] It is completely understandable that relations with the FRG should be the subject of particular interest. They affect our state's and our people's vital interests. Moreover, they also possess a broader European dimension. To provide a brief assessment, we can say that the period following the signing of the 1970 FRG-PPR treaty generally produced significant progress in almost all areas. However, at the same time, the state of relations that we have attained cannot be considered satisfactory. There continue to be checks and barriers which mean that the development of our relations thus far does not meet the needs or the potential capabilities of both partners, or the rapid rate at which positive trends are evolving in Europe generally. The basic direction of our activity—on the basis of the provisions of the 1970 treaty—is the continuation of the process of normalization and the creation of lasting foundations for a peaceful future for Polish-West German relations. At the same time, we are also seeking to expand the infrastructure of mutual cooperation and trade that interests and benefits both governments and societies.

For our part, we are seeking to create conditions for an opening up in various areas, including the economic, educational, cultural, and social fields. For a long time now, we have been trying to speed up this process. It was on our initiative that, during Minister Genscher's visit to Warsaw, we made decisions jointly with the FRG Government on a comprehensive approach to all aspects of bilateral relations. It is a question of each side making a concrete contribution to the intensification of mutual cooperation and, at the same time, the resolution of issues that remain open or about which there continues to be disagreement.

We are currently holding talks with the FRG and are ready to discuss all these subjects. We are making particular use of the channels provided by the three special working parties that have been set up and the lively and varied political dialogue that is taking place between both states. We, for our part, see a real likelihood that positive solutions can be found, that fundamental progress can be attained—even a breakthrough—and that appropriate conditions can be created for Chancellor Kohl's visit to our country. We want this to be an important event that will be rich in political and practical substance and will open up new prospects.

Guided by this kind of philosophy, we are making a whole series of concrete, flexible, often compromise solutions during the course of our talks with the FRG. Of course, a similar approach on the part of our partners is essential. However, on the basis of the course of our negotiations so far, one can get the impression that, as has been the case until now, Bonn has not made all the decisions concerning directions that are essential for the practical implementation by the West German side of the concept that was jointly agreed. There is still a strong tendency there to wait, to drag talks out, and create new conditions.

We are hoping that the FRG will follow up the statements that have been made by representatives of the government and political parties on numerous occasions concerning the importance of PPR-FRG relations and the desire to develop them with the implementation of the provisions of the 1970 treaty and the development of various areas of cooperation, and economic cooperation in particular. We are also hoping that what is requested by the West German side will have a realistic basis and will suit real needs and problems in mutual relations and will not increase the number of obstacles in the way of agreement. We are ready to hold talks about everything, including awkward issues. However, it is essential that there is justification for doing so.

I think that, apart from prompting us to reflect on the tragic past, the upcoming 50th anniversary of the Nazi invasion of Poland and the outbreak of World War II should provide an additional impetus for formulating new, unbiased prospects for peaceful coexistence and cooperation between the societies in both countries. Poland is ready to cooperate with the FRG to use emerging and real opportunities for achieving a genuine improvement and enrichment of the substance of mutual relations.

[Szkamruk] During the discussion, much attention was devoted to the qualitatively new character of Polish-Soviet relations, and it was stressed that relations are being developed particularly intensively in many areas. The Polish community in the USSR was also discussed in this context.

[Olechowski] We are witnessing and taking part in the unprecedented development and a new type of mutual relations with the Soviet Union. The main element in this is authentic partnership and a common desire to really bring our societies closer together. This creates a great opportunity for both states to overcome the residue of a difficult past. Part of this process is the open, frank presentation and joint resolution of many issues about which nothing was said in the past.

The subject of the Polish community in the Soviet Union should be viewed in terms of these unprecedented changes. An important impetus to the development of relations with our countrymen in the USSR was provided by: Wojciech Jaruzelski's visit to Wilno [Vilnius] in 1986; the 1987 joint declaration on cooperation in the spheres of ideology, science, and culture; the joint statement signed by the Polish and Soviet leaders on 14 July of this year, which stressed the role that could be played by Soviet citizens of Polish descent and Polish citizens of Ukrainian, Belorussian, and Lithuanian descent in the development of Polish-Soviet friendship.

This has already found expression in very concrete terms. The network of Polish consular offices in the western regions of the USSR is being expanded. Many of them are already in operation—there is a consular agency in Lwow [Lvov], preparations are being made to open a consulate general's office in Wilno, and Polish social and cultural associations are being established in Lithuania, the Ukraine, and Belorussia. Apart from the centers that already exist at colleges in Moscow and Leningrad, Polish will begin to be taught at universities in Lwow and Kiev this year: Instruction in Polish at the Pedagogical Institute in Wilno will be increased. This year saw a group of Polish children from the Soviet Union attending a summer camp in Poland for the first time, and Polish artistic groups from the Soviet Union took part in summer festivals and events organized for Polish communities living abroad. In 1989, the Third Congress of Scholars of Polish Descent will be attended by Soviet scholars of Polish descent.

During talks with our Soviet partners, we have raised the question of preserving Polish cultural monuments in Lithuania, the Ukraine, and Belorussia, and commemorating the activities of outstanding Poles and places connected with our history, national remembrance, and the culture of our people. We are now witnessing the first positive results of our efforts in the form of, among other things, concrete decisions on the part of Soviet authorities at the republic level concerning such matters as the Lyczakowski and Ros Cemeteries.

We also want travel to increase. At the moment, the main obstacles are the inadequate infrastructure on both sides, restrictions stemming from the low handling capacity of border crossing-points, and the insufficient frequency of rail and air services between our countries. However, we recently agreed to establish four new border crossing-points (one of them, at Ogrodnice, is already in operation). We are also in favor of permitting movement across borders on the basis of passes and generally making it easier to cross the border. We are working intensively on new solutions. We have just held consular consultations with the USSR on these and other issues. Both sides agreed that existing regulations concerning travel do not suit this new stage in relations. We are, therefore, going to work on a new, comprehensive agreement.

[Szkamruk] I would now like to ask about a few more detailed issues that were raised at the meeting of the Consultative Council, issues that have aroused broader public interest. I would describe them as follows: the Pomeranian Bay, the state of PPR-GDR-CSSR negotiations on environmental protection, and the frequent abuse of Polish citizens by certain states.

[Olechowski] This is, in a sense, the price that has to paid for the democratization and reorganization of relations between socialist states. The fact that these issues are raised in public is one sign of the abandonment of the facade and pretence that all our countries have identical interests and approaches in all areas. The new stage in relations has not only revealed enormous reserves for cooperation, but also difficulties and even conflicts of interest. We wish to prevent such conflicts and rapidly resolve those that arise. In any case, we do not intend to conceal them from the public.

The problem of the division of the Pomeranian Bay waters arose after Poland and the GDR extended their territorial waters to 12 nautical miles. In view of the shape of the Pomeranian Bay, a move of this kind on the part of the GDR would mean that the shipping approach routes used and maintained by Poland over the entire postwar period would lie in GDR territorial waters. This is, of course, unacceptable to Poland, considering the fact that there are no alternative routes for deep-water shipping in the bay. The leaders of both countries have agreed that the basis for a settlement of the problem should be the principle of free, unrestricted, and completely unhampered access for the ports of Siwnoujscie and Szczecin to the open sea along the existing deep-water route. The GDR does not generally question our interests connected with free movement for shipping in and out of the ports of Swinoujsice and Szczecin, and it is aware of the costs borne by Poland for the dredging and maintaining of these waterways. Experts are working on this intensively. I spoke more extensively about this issue at the council meeting.

The positions of the GDR and the CSSR on working out effective solutions in the field of environmental protection mean that it is still not possible to successfully finalize our initiative. However, we hope that it will be possible to produce tripartite regulations and adopt legal norms that would, in particular, permit the exacting of compensation for the losses that we suffer because of pollution. I would add that, at the recent meeting of the Warsaw Pact Foreign Ministers Committee in Budapest, I proposed that seven countries sign a multilateral convention on environmental protection.

In addition, we are concerned that in a field such as contact between people, which is so unusually important for genuine integration and closer relations between societies, there is not only a clear lack of any kind of improvement in travel conditions, but that new obstacles have even emerged to slow down tourist traffic and, in more general terms, people's movements. Of course, we believe that our citizens must observe the laws that exist in other countries and that people who violate them must bear the consequences. However, we cannot accept actions that discriminate against our citizens. We are in favor of the principle of reciprocity in regulations and procedures governing tourism and people's movements.

Our position is that we want to see the elimination of all formal and bureaucratic obstacles to the development of contacts between people. We are in favor of reaching bilateral agreement about easing customs, currency, and passport requirements. We are opposed to the unilateral decisions made by some socialist states that disrupt passenger traffic.

At this point, I would very much like to stress our, that is, the Ministry of Foreign Affairs' and its agencies' very strong commitment to this whole range of problems in the form of intervention, explanation, and other forms of immediate action, as well as the efforts that are made to regulate procedural and legal matters with our partners.

[Szkamruk] At some of its earlier sessions, the Consultative Council examined issues that are of interest to the department that you head. For example, among the issues that were discussed at its seventh session were immigration, the further liberalization of passport, visa, and currency regulations, and the creation of regulations that would make Poland more attractive for foreign business investment.

[Olechowski] Yes, the department has received these suggestions. Besides, they have also been made by other groups.

For a long time now, we have been intensively examining these issues together with the Ministry of Internal Affairs and other institutions and organizations, such as the "Polonia" Society. We are initiating and introducing important changes. Our actions are making practice more suited to the public's needs and expectations. A whole range of measures aimed at liberalizing regulations concerning passport, visa, and citizenship matters have already been introduced.

Readers no doubt know that there are plans to introduce new regulations in the near future, but I will remind them that Polish citizens who are visiting Poland on Polish passports will be exempt from currency exchange requirements from January 1989; passports valid for several years and for all the countries in the world will be introduced at the beginning of next year and citizens will be able to keep them at home; a draft law on economic activity involving foreign investment has been submitted to the Sejm; and at the last meeting of the Council of Ministers Economic Committee, which was held on 16 December, a draft foreign currency law was approved. More regulations are being prepared. However, I would not like to say too much about the decisions that are being planned at this stage. I think that there will be an opportunity to discuss them in more detail later.

[Szkamruk] The members of the Consultative Council also discussed—and sometimes they expressed themselves critically—the subject of the assistance provided by our diplomatic mission and consular offices to Polish citizens who are abroad. What is the ministry doing to improve the quality of this assistance?

[Olechowski] The assistance provided to Polish citizens who are travelling or living abroad is a basic area of our consular service's activity and is a subject of constant interest to the leadership of the ministry.

Are we completely successful? I think that the answer is definitely no. We cannot avoid cases in which our consul does not arrive on time, or some intervention turns out to be insufficiently effective. Our missions are staffed modestly, and we are already making what is almost the maximum possible effort. However, it has to be stressed most forcefully that sometimes our citizens, deliberately or unintentionally, get into difficulties because they have broken laws, and in such cases assistance from a consul cannot but be of little use. So, the knowledge possessed by people who travel abroad presents a problem. There is a need for greater familiarity with customs, currency, and other regulations connected with crossing the border. This is a question of both Polish regulations and, perhaps in particular, the regulations in countries to or through which people are travelling. The basic role in providing information should be performed by travel offices, other tourism and travel organizations, and the mass media. I think that in view of the mass character of foreign travel by Polish citizens, assistance to our citizens is also a matter for travel offices, representations of organizations that send people abroad on contracts, and other institutions. This assistance is not a task solely for the consular service, although I would like to stress once again that this question has a high priority status in our work.

We attach great importance to the professional training and conduct of the consular service personnel that we send abroad. In 1987 we introduced a special course for candidates for work of this kind regardless of the number of years service they have. To qualify for work of this kind, candidates have to pass an examination on completing the course. The question of raising the quality and increasing the scope of consular assistance was, among other things, the subject of a consular service conference held at the beginning of the year. We are trying to make the standard of service provided to citizens at least as high as that of highly developed countries. We have already started out on this road and we want to move forward as quickly as possible.

[Szkamruk] During this conversation we have raised some of the topics that were discussed at the forum of the Consultative Council. Could you tell us what use the department is making of the remaining observations that were made, both general and more detailed ones?

[Olechowski] I have pledged to analyze all the observations that were made and to take appropriate account of them in the work of the Ministry of Foreign Affairs. This is not a casual commitment: The ministry is working intensively on the issues that were raised. The debate at the forum of the Consultative Council, the suggestions and opinions that were put forward are, to my mind, an important element in the process of "making public" our foreign policy, a form of enriching our thinking on these issues and the ways in which things can be realized. We are using them in drawing up basic documents that formulate our foreign policy tasks for next year, and we will submit them at party, coalition, and governmental forums, and finally, at the beginning of 1989, we will submit them to the Sejm.

[Szkamruk] Thank you.

Scandinavian Underwater Cable To Be Laid

LD1312233088 Warsaw PAP in English
2058 GMT 13 Dec 88

[Text] Warsaw, Dec. 13—The Polish Post and the "Elektrim" enterprise signed here today a contract with "Telekom Denmark" which represents interests of Danish, Norwegian, Finnish and Swedish mail administration and with Danish firm NKT "Elektronik" to purchase and build a telecommunications light cable.

The cable, placed on the Baltic bed between Koszalin and Bornholm, is to multiply the number of lines between this country and Scandinavia. The project will have been completed by the end of 1990.

The new submarine cable, 127 km long, is to have over 1.4 thousand of channels. It will also provide new lines between Poland and North America.

Dissidents Hunger Strike To Protest Arrests

AU2712173088 Paris AFP in English
1645 GMT 27 Dec 88

[Text] Warsaw, Dec 27 (AFP)—Twelve young Polish dissidents are on hunger strike to protest the arrest of several Polish and Czechoslovak human rights activists, opposition sources said here Tuesday.

A spokesman for the protestors, Jacek Szymanderski, a leader of the pacifist movement Freedom and Peace, said the 12, who belong to different banned organizations, began the strike in a Warsaw apartment on Christmas Sunday and intend to pursue it until December 31.

They are demanding the release of three Polish pacifists, Jan Tomaszewicz, Jan Napierala and Krzysztof Galinski, who have been arrested recently for refusing to do military service.

They are also protesting against the detention of five Czechoslovak human rights militants, Jiri Stencl, Tomas Dvorak, Lubos Vydra, Tomasz Tvaroch and Hana Marvanova.

In a communique sent to AGENCE FRANCE-PRESSE, the hunger strikers said it was "painful" for the people of Eastern Europe to be deprived of freedom to serve the Warsaw Pact's military machine.

Rakowski Interviewed on Domestic Policy Issues

AU1912101588 Hamburg DIE ZEIT in German
16 Dec 88 pp 7-8

[Interview with Mieczyslaw Rakowski, chairman of the PPR Council of Ministers, by Hansjakob Stehle and Helga Hirsch in Warsaw: "First a Full Stomach, Then Ethics"—date not given]

[Text] It was some 3 decades ago that I met colleague Mieczyslaw Rakowski from the weekly POLITYKA for the first time, and since then I have always been surprised at how he linked critical matter-of-factness with indestructible optimism. His hair has turned grey and he now sits in the building of the Council of Ministers in the Ujazdowski Avenue, as the communist head of government of a country with a 70 percent rate of inflation, $36 billion in foreign debts, and 37 million Poles who think less of communism than ever before. I talked to Rakowski in private for more than 6 hours last week—and together with Helga Hirsch—for DIE ZEIT.

The first question was obvious: Where does he get the courage to govern in such a situation?

Rakowski: I also ask myself from time to time where I get the strength from. I think it comes from my peasant background. I was raised in the area of Poznan, which was then called Greater Poland (Wielkopolska)...

DIE ZEIT: From what used to be Prussian Poland, so to speak.

Rakowski: Yes, there was a certain discipline and respect for reality, even if it—since it was a German reality—was not approved of by the Poles. My father was a Prussian subject, he served in the army of the emperor. We have always been very realistic; we supported Polish national characteristics, but did not revolt.

DIE ZEIT: In other words, without that political romanticism, which is so common in Poland.

Rakowski: Yes, Polish firms were founded in the Poznan region, even political societies, however people did not mount the barricades.

DIE ZEIT: Why after World War II, did you get involved in a party that saw itself as revolutionary?

Rakowski: This was in 1945 —I was 18—mainly because I wanted to get revenge on the Germans. My father was killed right at the beginning of the war. When I joined the party I was not a Marxist; actually, I did not even think of myself as being to the left. I was attracted by the slogans of equality, agricultural reform....

DIE ZEIT: So why did you not join the Socialist Party (PPS), which still existed at that time?

Rakowski: Simply because the army unit which I had joined as a volunteer, only had a party cell of the Communist PPR. A son of a peasant—particularly before the war—had only two possibilities to climb the social ladder: either as an officer or as a priest. However, I had lost my religious belief at the age of 16...

DIE ZEIT: So you became an officer and—politically—took the side of the new rulers, who never had a majority among the population, not even at the beginning.

Rakowski: I was fascinated by the great social changes that were beginning to take place at that time—nationalizing of industry, educational reform. At that time, I was thinking in completely different categories than I do today; I was never quite aware of the fact that we were an ideological minority.

DIE ZEIT: Now you have to govern these Poles as the representative of a political minority...

Rakowski: In terms of ideology! Of course, as Marxists or leftists supporting laicism, we are a minority. Poland is Catholic, but I cannot equal Catholicism with the aversion for this system. If this were the case we would not be sitting here. I sometimes wonder myself.... With the exception of a short Stalinist period I have never been intolerant and I have always respected the convictions of others.

DIE ZEIT: This is exactly what should be transfered to political reality.

Rakowski: The state power and also my party have been very tolerant over the past few years; there has been a great change in conscience among those who govern, and also among those who are governed.

DIE ZEIT: Nevertheless Poland did get into an increasingly deeper crisis, which, after all, was also a crisis of political trust.

Rakowski: Yes, but the reason for it lies mainly in the economy and in unfulfilled hopes. Belonging to Western culture and having the appropriate democratic past, we Poles wanted to prove to ourselves and to the world in the early postwar period that Hitler did not manage to destroy us. This is why anti-Communists and Communists together began the work of reconstruction. However, this period of high spirits came to an end, and then the question of democracy arose...

DIE ZEIT: In the periodically recurring Polish crises...,

Rakowski: A society that changes its social, political, and economic structure can never develop along a straight line. We used to be a people of conservative peasants, technologically undeveloped, destroyed by the war and, additionally, the Poles have a tradition of governing themselves badly. Basically, there have been two major crises since 1945: in 1956, as a reaction to the Stalinist system, and in 1980, as a reaction to thwarted hopes.

DIE ZEIT: Is is not inherent in the system itself that controversy always had to be dealt with in this way, like, incidentally, also in 1970 and 1976?

Rakowski: In many countries the development follows a zigzag course does it not? When modern industrialized society emerged in England, France, and Germany, Poland did not have a state, it was a people divided up into three occupied parts and it lacked the experience of an industrial revolution. What was the price Western people had to pay, and how much blood was shed until they became democrats! How many generations had to work 14 to 18 hours a day for it! As recently as in 1939, illiteracy was at a 35 percent level in Poland! In 1945, only 80,000 people with higher education had survived, everybody else had been wiped out by Hitler. However, the new intelligentsia was made up of sons of peasants and workers without any traditions at all. Your educated citizens can look back at a tradition of grandfathers and great-grandfathers. This is why you always tend to look at us from your bourgeois superiority point of view.

DIE ZEIT: But did the Polish nation not have a degree of maturity in 1956 and subsequently in 1980, in which, by mass movements, it claimed a right to participate in decisions, and did it not also pay the price you mentioned, even with its own blood in 1970? If those who are in power are again facing the task of finding a dialogue with these people—how should this be done?

Rakowski: People here have good reason to remain skeptical. For almost 10 years they have lived under difficult conditions, and, quite rightly, they have put the blame on us. On the other hand, I reject any view that, on the one hand, one sees nothing but a sad state power, which is alone and lost in the Polish lowland and, on the other hand, the skeptical people. Reality is more complex. After all, according to an opinion poll some 72 percent of the population sympathize with my government...

DIE ZEIT: Even though "to sympathize" is a rather vague term...

Rakowski: That is quite right. This means a positive attitude of expectation toward this government, which can change again, I know. What matters is the government's determination to bring about reform. The credibility of our views will depend on concrete results. We have submitted two draft laws that will do away with all restrictions concerning economic activities. Private economy will have the same rights as the cooperative or state economy, all will have to pay the same taxes. As of 1 January, the peasants, most of whom are working on a private basis in Poland anyway, will be freed from the state's monopoly of purchase. A second law will open up Poland for foreign capital without any restrictions and provides guarantees to this capital; such investments and foreign companies have existed before, too; however, there has always been a "but", which used to contain ideological reservations. We will remove all these obstacles—including the ones in our people's heads. This will fundamentally change the entire economic system...

DIE ZEIT: This sounds almost as if you wanted to give capitalism chance...

Rakowski: Not capitalism, but realism!

DIE ZEIT: However, if you dissolve the state planning commission and replace it by a planning office—as has just been announced—does this not amount to a mere change of name?

Rakowski: My economic philosophy is based on the principle of free enterprise, because the basis of every human development has always been the most unhindered entrepreneurial initiative possible. It is true we will continue a certain amount of planning, but we will break with the tradition of a centrally controlled economy which began with Stalinism, as you know. The new office is supposed to influence only the economic and financial strategy—comparable to the Federal Bank in your country. However, the dramatic difficulty is that an entire generation has been brought up in the centralist system, and in a way considered this comfortable. Possibly it will take another entire generation to totally abandon it.

ZEIT: Do you have so much time?

Rakowski: Not at all, that is the problem! Time is the only product that you cannot manufacture, and that you cannot buy.

ZEIT: Would it not be advisable for this very reason to also motivate the people's initiative politically?

Rakowski: If I understand world history correctly, "a full stomach always comes first, and then morality"—as Bert Brecht put it.

ZEIT: That sounds quite vulgarly Marxist.

DIE ZEIT: Are they not partly those people who are now obstructing reform?

Rakowski: There are also many workers who are connected with this system, and do not forget the farmers who did not strike in 1981. Reform today is being obstructed and sometimes blocked in particular by the force of habit that is inherent in man.

DIE ZEIT: It seems to be even more incomprehensible—psychologically and tactically—that you started closing down unprofitable enterprises, with which moderate opponents also agreed, by beginning with the Gdansk shipyard, of all enterprises. Why?

Rakowski: Permit me to ask a counterquestion first: Would the journalists throughout the world who have deplored it so much and are so enthusiastic about the romantic Poles buy the shipyard? But, seriously: Since we are convinced that restructuring industry is inevitable, we just had to venture into unknown territory.

DIE ZEIT: But why did you begin with the Gdansk shipyard, which surely has become a symbol?

Rakowski: Symbols do not concern me; there are more than enough in Poland. It remains a historical fact that the Solidarity trade union was born in this shipyard. As opinion polls have shown, 58 percent of all Poles agreed with the closing down of the shipyard.

What I, what we, wanted to do was to bring about a rethinking, a change of mood, by a sort of shock therapy. To achieve this, I could not begin with a third-class enterprise. The signal produced an effect, including on other factories that are on the verge of bankruptcy. The people realized that we meant what we said.

DIE ZEIT: Why are you pursuing your reform so much "from above?" Do you really believe that you take the voices "from below," the people, sufficiently into account?

Rakowski: Just imagine if I had turned up before the dockers and had told them: Dear staff members, unfortunately we have to close down the enterprise for the following serious reasons, and so forth. Then there would have been a discussion which would have gone on for months, and finally they would have said: What has this Rakowski been doing? He only talks, considers, discusses. Has this not been going on in Poland for long enough? I surely know my fellow countrymen! When I became chief of government, the people told me at meetings: You should become our Mrs Thatcher...! Without anyone having to fall politically in love—that shows that on the one hand, people are longing for more democracy, and on the other, they are also longing for a consistent and strong government.

DIE ZEIT: Thus, was the Gdansk shipyard affair also a test of strength?

Rakowski: Of course. And regarding the other side, the political reform, and the "roundtable," at which we want to sit with the opposition, I am one of the fathers of this idea, just like Jaruzelski, Kiszczak, and other friends of mine. It is simply ridiculous to see me as a contrast to them, as some people do. Of course, we divide the work among us. I, myself, deal with the proper government work, with bills, administration, straightening out bureaucracy, etc. However, if General Kiszczak talks to Walesa, he does so as my interior minister.

DIE ZEIT: And will you sit down at the big negotiating table?

Rakowski: This is hard to say, it will happen sooner or later.

DIE ZEIT: But why does it not happen now? In other respects, you always want to accelerate everything!

Rakowski: After all, it is much easier to develop a law than to reconcile different interests. And Poland is not the only example that shows how difficult it is to reconcile opposing political forces! The reconciliation at the "roundtable" is objectively necessary (notwithstanding the contradictions that might be involved), however, I do not believe that the increase in production depends on it. If I had the $2 million that we pay in interest on our debts every year and if we could buy raw materials and machines for it, this would open up the way for political understanding in practice. I think that a consensus will be reached, however, I do not believe that the West will then be ready for quick compromises on the question of debts. Why are we taken by the throat and forced to bleed?

DIE ZEIT: Are you hoping for new credits—for example, from the FRG?

Rakowski: It is rather a question of having the air to breathe, by rescheduling debts and, above all, by activating direct relations between companies. The FRG is our most important trading partner, our political relations with it are now completely different from those before the 1970 Warsaw Treaty. However, everything that still overshadows them now—certain legal questions, problems of the youth and cultural exchange or place names—has to be settled. There is nothing on which solutions that are acceptable for both sides could not be reached—even though every politician, including me, has to heed the reactions in his own public.

DIE ZEIT: That is to say, turning over a new leaf?

Rakowski: Yes, it does not mean that either the Poles or the Germans will ever forget Hitler's time. Memory is a moral issue, but there is yet another issue: realistically thinking about Europe's future, the new generations and their tasks. Next year on 1 September it will be 50 years since Hitler's invasion of Poland. By that time, we have to eliminate the remaining misunderstandings and create a new atmosphere....

DIE ZEIT: ...in which it will be of no consequence that the Germans call Wroclaw Breslau and the Poles call Munich Monachium or Rome Rzym.

Rakowski: Yes, certainly. Of course, certain legal aspects play a role, but this period simply has to be concluded. I recently gave a signal to Bonn and—if I understand it correctly—received one from there. The Germans in both states are and remain our neighbors, and it would be unrealistic always to regard them only with reservation.

DIE ZEIT: Could the new composure contribute to mitigating and overcoming the division of Europe?

Rakowski: Certainly. In spite of different national characteristics, political structures, and world views, in the final analysis the nature of the people and their moral standards always remain the same. And even if an ideology wants to drastically deny outdated values, it will return in a curve to its own values in the end.

State Council Appoints New Officials

AU2012155588 Warsaw TRYBUNA LUDU in Polish 16 Dec 88 p 2

[PAP report: "State Council Session"]

[Excerpts] The State Council held a meeting on 15 December. [passage omitted]

The State Council appointed Andrzej Jedynak to the post of deputy chairman of the Supreme Chamber of Control; Janusz Lewandowski to the post of PPR ambassador to the Hellenic Republic, and Tadeusz Wujek to the post of ambassador to the Yemen Arab Republic. Tadeusz Wujek will perform this function alongside that of ambassador to Ethiopia, to which he was appointed on 17 November.

Andrzej Jedynak was born in 1932 in Rzeszow, to a family of intelligentsia. He holds a degree in engineering. He commenced his working life in 1952 as a senior technician at the transportation plant in Rzeszow. From 1959 forward, he has held managerial posts in industry. He was deputy director for technical affairs at the Regional Industrial Administration in Rzeszow, director of the Sanok bus plant, and technical director at the automotive industry combine in Warsaw. From 1970 to 1974 he was director of the aviation industry combine, and from 1974 to 1976 director of the automotive industry combine. In 1976 he became undersecretary of state in the Ministry of Machine Industry. From 1978 to 1980 he was ambassador to Austria. In May 1980 he was appointed minister of heavy industry and agricultural machines, and in 1981 he was made a deputy premier. From 1982 onwards he was ambassador to the CSSR. He belongs to the PZPR.

Janusz Lewandowski was born in 1931 in Warsaw, to a working class family. He holds a degree in the history of international relations.

From 1955 to 1984 he held a series of responsible foreign ministry posts at home and abroad. He was first secretary of the Polish Embassy in Cairo (1959-1962), charge d'affaires in Tanzania (1962-1964), chief of the Polish mission to the International Control and Supervision Commission in Vietnam (1966-1967), ambassador to Egypt (1970-1974), and ambassador to Greece and Cyprus (1979-1984).

He held the following foreign ministry posts at home: counselor (1955-1959), senior counselor (1964-1965), deputy director and then director of Department Two (1967-1970), and chief of protocol (1975-1979). In 1984 he became deputy director of the PZPR Central Committee Foreign Department.

Orzechowski Interviewed on PZPR Tasks

LD1912181588 Warsaw Television Service in Polish 1830 GMT 18 Dec 88

[Interview with PZPR Politburo Member Marian Orzechowski by Slawomir Malinowski and Zbigniew Konarski—recorded; date and place not given]

[Text] [Announcer] When I welcomed you I spoke about the hopes we associate with the approaching week. One of its events will be the 10th plenum of the party's Central Committee. A special edition of TRYBUNA LUDU published the guidelines of the program report. Anyone who wants to can then find out what the plenum will discuss. However, the most discerning reading of these assumptions cannot replace a talk with their joint author. Our reporters met with Marian Orzechowski.

[Malinowski] You are responsible for ideological matters in the Politburo and Central Committee Secretariat. Thus on your desk and head fall accusations from one side about the selling-out of socialism and accusations from the other side about the fact that if the party is going to function by the same methods as it has until now, using the same structure it has used until now, it will make any further reform impossible.

[Konarski] That the party will not release processes, which it cannot keep up with. [as heard]

[Orzechowski] Those accusations are not falling on my head, they are falling on the heads of the whole leadership and aktiv, and if we are talking about about society, then they are also falling on the head of the party. We do not bury our heads in the sand. We do not deny those accusations.

We are trying to answer them, and precisely such an attempt at a coherent reply, an attempt to create what one could define as a certain minimum of ideological and political order, are these very guidelines for the 10th PZPR Central Committee Plenum which will take place in the immediate future. If one were to summarize everything contained in these guidelines, one could say clearly: After the experiences that formed our recent activity, it is a proposal for a Polish path to socialism, today, at the the turn of the 20th century. There are no really great questions—that are rankling society and the party—which have been left unanswered. There are certain outlines of replies that we treat as open, because we are also breaking with that bad tradition. That is the tradition that the leadership of the party, the Politburo, proclaims certain wisdoms which everyone has to believe as if from a position of superiority; it is an open proposition for discussion.

When it comes to the processes which the party has released, let me remind you that the transformations that have been occuring in our country for several years, have been, in fact, occuring on party initiative. The party is keeping up with some of them, it precedes some of them, and with some of them the party is not keeping up. These guidelines are precisely an attempt to equate, if one can put it this way, the fronts, correlate reforms in the state, the economy, and the party. A Central Committee session will be held in the nearest future.

[Malinowski] Let us imagine a situation when a physician tries to utilize the 6 years of his difficult studies working more than 12 hours a day; imagine a situation of a young worker, whose children are being brought up squeezed in his mother-in-law's apartment. Let us be honest, neither of them feel like thinking about great issues any more.

[Konarski] Professor, if nothing changes here the party will grow even older.

[Orzechowski] Yes, but I would not be so adamant in saying that they do not feel like thinking about great issues, because a significant part of the young, young people, is aware that the solving of these great issues concerning the economy, the state, our state's place in a wider European scene, is a way to resolve their everyday existential problems: the apartment, opportunities for promotion, etc. Well, we are conscious of this, and in this document, in these guidelines there are certain proposals. They are of a twofold nature, because what concerns the state and society, also concerns the young. Putting the economy in order, proposals concerning the development of democracy in our state, possibilities to express oneself and act, also concern the young, and perhaps the young above all.

Secondly, there are thoughts and ideas there addressed to the youth, to youth organizations. There are certain openings in a different direction, a chance is shown whose exploitation will depend both on youth organizations and on the youth itself. The party is not once again lecturing that this or that has to be done, but is showing, regarding the second matter, whether the party will age even more. Of course we are aware of this and we are not burying our heads in the sand; from this come these proposals. These proposals are, above all, to serve society and the nation, but they are also the key to the solution of generational change in the party itself—well, the change of generations, the coming into the party of the most active young people.

[Malinowski] Professor, I am not a party member and although you have said several interesting things here and the theses have been printed, nevertheless, I approach all this in a realistic manner and ask: What next?

[Konarski] And I, because I am a party member, know that faith in the fact that things will be better is not a political category and I also ask: What next?

[Orzechowski] What next? Next come the theses, the invitation to discussion, the invitation to discussion of party members but also of all those who are not indifferent to the affairs of our state, our society, our future. Next also is a discussion both at the plenum and after the plenum, the adopting of a program of activity, the adopting of indispensible decisions including personnel decisions.

Nevertheless, it is obvious that bold transformations in the political and economic system, in the functioning of the party, also require personnel changes and next, consistency in their realization. I would like to emphasize that this point is consistency. We very often had excellent [words indistinct] and intentions and visions but there was a lack of strength for their realization.

What next, in the sense whether it will be better? Better—it is not a political category, it is true. But the answer to the questions: What should be done? What actions to take? What mechanisms for action should be created? What indispensable decisions should be made? What steps should there be today, so that tomorrow it will be better? These are political categories. I cannot say it will be better tomorrow, but I can say that today we are taking indispensable actions. The guidelines contain a certain proposal (?that) it will surely be better tomorrow. I deeply believe in it.

[Malinowski] Thank you for the conversation.

[Konarski] Thank you very much.

OPZZ 16 Dec Meeting Results Reviewed

AU1912165788 Warsaw TRYBUNA LUDU in Polish 17-18 Dec 88 p 4

[PAP report: "A Social Contract Is Urgent"]

[Text] On 16 December the OPZZ Executive Committee met for the first time since the Third OPZZ Assembly in Lodz 3 weeks ago. An assessment of the assembly served as a point of departure for the meeting, which discussed the chief paths of OPZZ activity in the second half of the present term of office, before the Second Trade Union Congress.

Trade unionists consider protecting the working people's standard of living to be the prime issue. In the face of the government's radical economic policy and the many unseen factors it contains, especially concerning prices and incomes, this is no mere slogan.

It was considered essential to quickly conclude a social contract between the government and OPZZ, in order to guarantee a minimum level of social benefits, wages, and funds for medicine, education, and culture. It is also necessary for the government-trade union team to complete its work on a legal-economic system that protects the interests of the workers of those enterprises that are due to be closed. The trade union movement, it was said, has to be acquainted with the program of structural changes in the economy. The trade union movement insists that the closure of enterprises should be regarded as a last resort.

It is also important to take part in work on improving the legal status of trade unions, as well as to help resolve workers' issues. This includes amending the trade union act, labor code, and collective labor agreements act. Another urgent task is to speed up work on a new law governing pensions for workers and their families. Assessments of this year's summer vacations have led to the demand for an amendment to the law governing factory social and housing funds, so that greater financial resources are allocated to these funds. Otherwise, with the rising costs of summer vacations, there will be no money for them.

The trade union movement needs success, many speakers said. This not only calls for spectacular OPZZ achievements, but also stubbornness and resilience in the struggle for workers' rights in factories, for it is there that conflicts are born and settled, social prestige is shaped, and the future of the trade unions is determined.

Alfred Miodowicz presented the origin of and reasons for his TV debate with Lech Walesa. This debate, he said, was necessary in order to establish a bridgehead between us and the "Solidarity" opposition, essential in a difficult socioeconomic situation. That is why this debate was by definition non-confrontational. Further contacts are needed, including talks by experts on intricate subjects such as the labor code and prices and incomes policy. The OPZZ adheres consistently to the principle of one trade union in each factory, in accordance with the OPZZ stance. However, it is necessary to consider a model for a Polish trade union movement. It is worth examining several proposals on this subject, for example the idea of grouping the 49 voivodship trade union accords into 17 strong regional structures. Therefore, the team that was formed 3 months ago to develop a concept for a future trade union movement should begin its work urgently.

The Executive Committee adopted a resolution whereby the TV debate had opened a road leading to further dialogue and accord.

Polish TV has made L. Walesa an offer to continue the TV debate, this time with groups of experts. L. Walesa approved of the idea of meetings of three groups of experts, on political, social, and economic affairs, and announced that he would convey letters from them on 19 December. The Executive Committee authorized the OPZZ Secretariat to undertake appropriate action in connection with these talks.

Ceausescu Toast at Dinner for Dizdarevic

AU2712124088 Bucharest SCINTEIA in Romanian 23 Dec 88 pp 1,3

["Toast by Comrade Nicolae Ceausescu" at an official dinner in honor of Raif Dizdarevic, president of the SFRY Presidency, on 22 December in Bucharest]

[Text] Esteemed Comrade President, esteemed Yugoslav guests, comrades and friends: I take great pleasure in expressing satisfaction at your visit to our country and—on behalf of our party-state leadership and myself personally—I extend to you and the other Yugoslav friends warm greetings and best wishes of welcome to Romania.

Your visit is a new and telling proof of the traditional relations of friendship, solidarity, and cooperation between our countries, parties, and peoples, as well as an expression of the joint desire and determination to raise Romanian-Yugoslav relations to an even higher level, in our mutual interest, and to the benefit of building the new system in Romania and Yugoslavia and of the general cause of socialism and peace in the world.

We believe that a particularly important role in the development of these relations was played by the meetings and talks with Comrade Josip Broz Tito and other Yugoslav party-state leaders, as well as by the ensuing agreements, which have always opened up new horizons for Romanian-Yugoslav friendship and cooperation, on the basis of the principles of equality and mutual advantage. We are convinced that your visit will also go down as an important moment in the development of our comprehensive friendly relations. As a matter of fact, during today's talks we noted that there are many possibilities of further developing our political, economic, and scientific-technical cooperation, by better utilizing the great opportunities available to our national economies, as well as our international cooperation.

I would also like to emphasize on this occasion that—proceeding from the role our parties play in our countries and in the development of the entire socioeconomic activity—we believe that the strengthening of cooperation between the RCP and the LCY will undoubtedly have a good influence on the overall development of Romanian-Yugoslav relations.

Our party and people follow with interest the efforts made by the LCY and the friendly Yugoslav peoples to solve socioeconomic development problems and implement the programs on socialist construction in your fatherland. Dear Yugoslav friends, in the spirit of our traditional relations of friendship and good-neighborliness, we wish you ever greater achievements along the road of progress and well-being in your entire country.

Regarding our country, Romania has scored outstanding results in the construction of the new system in the years of socialist construction, particularly after the Ninth RCP Congress, which has opened up an era of great renewal in all spheres. We proceeded and continue to proceed from the fact that socialism is being built under conditions that differ from one country to another; consequently, we have firmly applied the general principles and laws of socialism to the concrete conditions prevailing in our country. In this spirit, we have paid particular attention to developing and modernizing the forces of production, to further strengthening the state and cooperative forms of socialist ownership, which are the foundation of the people's well-being, and to creating an all-encompassing system of bodies of the revolutionary workers democracy. Thus, we have ensured the whole nation's broad participation in running society and implementing the scientific thesis of building socialism with the people and for the people. We attach primary importance to intensively developing all fields of activity on the basis of the latest achievements of science and technology, to increasing the national income, and to further raising all our people's material and intellectual living standard.

We also pay particular attention to further strengthening the party's leading political role in all sectors of activity. At this time, the Romanian people are strongly engaged in fulfilling the decisions of the 13th Congress and the National Conference of the RCP concerning Romania's transition, during the current 5-Year Plan period, to the higher stage of a medium-developed socialist country and in achieving new and higher quality in the whole nation's work and life.

Esteemed comrades, while constantly concerning ourselves with ensuring the necessary conditions for the successful development of the entire process of socialist construction in our fatherland, we also pay particular attention to the evolution of international life and we actively promote a policy of cooperation with all socialist countries, with the developing countries, with the developed capitalist countries, and with all states in the world, regardless of social system. We unswervingly base all our relations with other states on the principles of full equality of rights, respect for national independence and sovereignty, noninterference in the domestic affairs of other countries, and mutual advantage.

Regarding world problems, as is well known, the international situation continues to be particularly grave and complicated. Although certain positive steps were taken along the road of disarmament and detente—particularly after the signing of agreements between the USSR and the United States on intermediate and shorter range nuclear missiles—these steps are still much too small. There are still huge piles of nuclear weapons which can destroy mankind several times over. Further nuclear tests are being carried out and work continues on the "star wars" project. Only a few days ago, the NATO leadership examined the modernization and development of short range tactical weapons, with a view to increasing their destructive power four times over. To all this, there is also the question of chemical and conventional armaments.

In these circumstances Romania believes that a key problem of our age is to achieve disarmament, primarily nuclear disarmament, and to defend the supreme right of peoples to existence, peace, and a free and dignified life. Everything should be done to implement the Soviet-U.S. accord on eliminating intermediate- and shorter-range missiles and to urgently conclude the accord on a 50 percent reduction of strategic nuclear weapons. It is also necessary to intensify the efforts to work out a comprehensive disarmament program, which can lead to completely eliminating nuclear weapons, banning nuclear tests, and forbidding the militarization of outer space. We firmly speak out for eliminating all chemical weapons and substantially reducing conventional arms, under strict international supervision.

Romania is actively participating in the Vienna meeting on disarmament and cooperation and takes steps to ensure that it will conclude with even better results, which take into account the strivings of the European nations for peace and close cooperation in all spheres, with a view to promoting the independent development of each one of them. All problems should be tackled in the light of the present world's new realities, by taking into account the development of the forces of production, science, and culture. Regardless of their social system, all peoples should organize their life in accordance with these achievements and should look forward, not backward. This is the spirit in which we approach the problem of Europe's unity, which we conceive as a united Europe of free and independent nations, a Europe of peace and cooperation.

Romania, together with Yugoslavia and other states, is working to turn the Balkans into a zone of peace, cooperation, and good-neighborliness, without nuclear and chemical weapons and without foreign military bases. We also support the creation of nuclear- and chemical-free areas in central Europe and other parts of the world.

Romania has worked and continues to take consistent steps to solve all conflicts and contentious problems in the Middle East, Africa, Asia, Central America, and other parts of the world through political and negotiated means alone.

In view of the worsening situation of world economic life and the continuous deterioration of the situation in the developing countries—which, due to the current profoundly unjust economic and financial system, are actually financing the developed capitalist states—our country advocates the organization of an international conference on underdevelopment and on the extremely high foreign debt of these countries, which should lead to the establishment of a new world economic order, based on equality and equity in interstate relations, and which can facilitate the progress of all countries, particularly of those that are lagging behind.

Although the current world problems are complicated and grave, we are convinced that, through joint action, the progressive and realistic forces as well as peoples everywhere can determine a change in the course of events, can bring about disarmament, and can ensure a new and democratic policy as well as cooperation and peace.

In this spirit, the RCP and the SR of Romania will continue to work—along with Yugoslavia, other socialist countries, all countries in the world, and the democratic parties and forces—to solve all problems that concern mankind and to build a better and more just world on our planet.

Esteemed comrades, with the conviction that your visit to Romania will mark a new and important moment in the rich chronicle of traditional Romanian-Yugoslav relations, I would like to toast: the more fruitful cooperation between our countries, parties, and nations; the progress and well-being of the friendly peoples of Yugoslavia; your health, Comrade Dizdarevic and the health of the other Yugoslav guests; the health of you all! (Applause)

Dizdarevic Toast at Bucharest Dinner

AU2712181988 Bucharest SCINTEIA in Romanian 23 Dec 88 p 3

[Toast by Raif Dizdarevic, president of the SFRY Presidency, at a dinner given in his honor by Romanian President Nicolae Ceausescu; in Bucharest on 22 December]

[Text] Esteemed Comrade President, dear friends: Permit me to express once again my particular satisfaction at the visit to the Socialist Republic of Romania and at the meeting with you, and to renew my sincere thanks for the hospitality and cordiality we enjoyed.

At the end of the year we usually hold meetings which are very dear to us. This practice between our friendly and neighboring countries is not only a continuation of a tradition. Each time it affords us the welcome opportunity to hold talks on the development of our relations and on promoting bilateral cooperation and cooperation at other levels. On the whole and throughout the years, our mutually advantageous cooperation has confirmed the correctness of the basis of our relations. Equality of rights, mutual respect, good-neighborliness, the open nature of dealing with all problems of common interest, and respect for our own road of domestic development and international activity, which were the starting point and common principles adopted even during your meetings with President Tito, have stood the test of time and have become a lasting basis for the stable development of our relations.

Therefore, I am convinced that this visit to friendly Romania will contribute to the favorable development of our cooperation in all areas. As far as economic cooperation is concerned, I am thinking especially of the advantage presented by the fact that we are neighbors, of the need for the development of the two countries, and I am thinking of the complementary nature—which is not lacking in importance—of our economies. True, all these new opportunities have not been used sufficiently. We must certainly not forget reality and the opportunities we have under the current conditions, but neither must we rule out searching for forms which—given the fact that we are neighboring countries oriented toward one another through our common interests—could involve us more rapidly in current processes regarding technology and the development of the world. This kind of cooperation will strengthen the very basis of our positive relations and our understanding even more.

Being a multinational community, Yugoslavia is based on equality of rights of its peoples and nationalities. This is one of our basic constitutional principles which stems from our socialist convictions. The great changes that characterize the current development of civilization and the ever greater importance justifiably attached to human and peoples' rights also confirm the importance of our basic option according to which each national minority has the inalienable right to free development, to preserving its identity, culture, and its cultural heritage. Looking upon minorities this way—the Romanian minority in Yugoslavia and the Serbian and Croation minorities in Romania—we demonstrate that—as a live link between our two countries—they may be an important factor for mutual trust and a real factor for good-neighborliness, friendship, and cooperation—and this is undoubtedly in our mutual interest.

I am talking about these things because I am profoundly convinced that overall Yugoslav-Romanian relations, communication between our people on the whole, and our cooperation are of a much greater importance. This is our contribution to the cause of peace, cooperation, and progress in the area in which we live and, on a larger scale, throughout the world.

Such changes have taken place in the Balkans that today we may say with certainty that the time of conflicts belongs to the past. Learning from the lessons taught us by history and being determined to overcome everything that burdened them in the past, the countries and peoples in the Balkans can only look to the future. This future depends first and foremost on themselves and on their determination to cooperate, at a bilateral and regional level, and whenever their interests are identical and their needs the same. This is also why the first ministerial meeting in Belgrade may be justifiably termed a historic meeting. Starting from the unanimous determination to convene it, and continuing with other meetings, which were attended by all Balkan states, and by concluding other tangible understandings we were able to develop bilateral and regional cooperation among the Balkan countries. Thus, there is the determination to continue and constantly develop a process that has begun successfully and ensures multiple advantages for each of these countries. This process permits us to place stress on our basic national interests and to affirm our common region in the south of Europe as an intrinsic part of our continent, its positive aspirations, and an increasingly broader cooperation in this area. I would like to stress with satisfaction that we greatly value Romania's role and contribution to this positive development of inter-Balkan relations.

Comrade President, from many points of view, this year's meeting is taking place at a particular time. It goes without saying that important changes are taking place in international relations. The process of detente is substantial and prospects for broad positive processes are noticeable. The increasingly clearer orientation toward mutual respect and dialogue, understanding, and cooperation are strengthening our confidence in the possibility of achieving a stable peace in the world, irrespective of splits and differences, which are still a reality of our time. All this reflects the collective efforts of a great number of countries; these efforts stem from the conviction that relations of many-sided cooperation and bilateral relations, as well as collective and individual security are characterized by close interdependence and each process should give an impetus to another process.

An important contribution to these processes is made by Europe on the basis of the principles established in Helsinki. Maybe more than ever before, the moment has come for Europe and all those who live here to implement—with even greater determination—the cooperation agreed upon—the broadest possible economic, technical, technological, and scientific cooperation, and cooperation in the area of human rights. And, certainly, along with freeing ourselves from nuclear weapons, we must substantially reduce troops and conventional weapons. We hail the unilateral steps recently taken by the Soviet Union, steps which contribute to opening up this process. Once again permit me to note with satisfaction the closeness of the Yugoslav and Romanian stand on numerous issues of world and European relations, which was obvious again during our talks today.

In its transition to the 21st century, the world will move to a new stage, and we want to express the hope that it will be a much better world for all, a more lasting and stable world than before. In order to last, this positive development must encompass all areas of international relations and all regions in the world. This requires the responsible involvement of all in seeking solutions to all open problems which constantly threaten world peace. What I have especially in mind are the still latent sources and crises, and the problem of international economic relations. Overall world relations cannot be stable without solving one of the basic problems of the present-day world—the difficult situation of a great number of developing countries. The fact that the progress of mankind in general and resolving the problems of the developing countries, primarily the foreign debt problem, are interdependent constitutes a reality that must be borne in mind in the final analysis.

The new processes in international relations and the prospects for development at the world level are great trials for all countries and political movements. Each one has to face these new times in his own way and must reexamine concepts and ways of action. Therefore, the Nonaligned Movement is adapting its steps to changing international developments. It is doing so in the desire to be the promoter and a pillar of even greater influence in these positive processes. Its basic philosophic principles and historic mission and the targets and aims of the Nonaligned Movement have been affirmed extensively throughout the 27 years of its existence. The movement's constant aim will be the struggle for peace, for international detente, for the creation of conditions for the economic progress of all countries and peoples, the struggle for national independence and sovereignty, for freedom, independent domestic development, and the complete equality of all in international relations.

Comrade President, once again permit me to express the sincere hope that this meeting, as well as the talks we have conducted, will give a fresh impetus to promoting relations of good-neighborliness, friendship, and cooperation between the SFRY and the SR of Romania, and will increase prospects for our joint cooperation in the international arena.

I want to raise this glass to your good health, to the health of esteemed Comrade Elena Ceausescu; to the health of all Romanian friends present here, to the prosperity of the SR of Romania, and to our traditional friendship! (applause)

Comparison of Ceausescu-Dizdarevic Talks

Bucharest SCINTEIA in Romanian on 24 December carries on page 1 a 1,400-word unattributed report entitled "On the Talks Between Comrade Nicolae Ceausescu, RCP Secretary General and President of the SR of Romania, and Comrade Raif Dizdarevic, President of the SFRY Presidency." Comparison of the SCINTEIA version with the item headlined "Leaders' Talks Summed Up," published in the 27 December East Europe DAILY REPORT, page 36, column two, shows the two to be identical, except for the following variations:

Page 36, column two, paragraph three, end of only sentence, through paragraph four, page 37, column one, beginning of first sentence reads///and mutual advantage. [new paragraph]

The sides pointed out the particular importance of high level meetings for stimulating the development of bilateral and international relations and cooperation between the two countries. Economic collaboration was///providing additional paragraph;

Page 37, column one, fourth full paragraph, end of last sentence, through fifth paragraph, beginning of first sentence reads///cooperation in production. [new paragraph]

On this occasion, the sides emphasized that the comprehensive development and the further enhancement and promotion of Romanian-Yugoslav relations are in accordance with the vital interests of the peoples of the two neighboring socialist countries and with the cause of cooperation, peace, and security in the Balkans, Europe, and throughout the world. [new paragraph]

Opinions were exchanged///providing additional paragraph;

Same column, paragraph five, end of penultimate sentence reads///resolution of the problems facing mankind. However, ///providing plural of word and deleting editorial note;

Same page, column two, first full paragraph, end of last sentence, through paragraph two, beginning of only sentence reads///complex disarmament programme. [new paragraph]

Positively assessing the importance of the Soviet-U.S. agreement on eliminating intermediate and shorter range missiles, the sides also emphasized the need to take resolute steps to speedily conclude the accord on a 50-percent reduction of strategic nuclear weapons. Likewise, the sides stressed the need to thoroughly renounce the modernization and improvement of existing nuclear arms and the production of new nuclear weapons. [new paragraph]

The sides also emphasized the need to completely ban all nuclear tests, to renounce the policy of militarizing outer space, and to eliminate chemical and other mass destruction weapons. [new paragraph]

Stress was laid///providing additional paragraphs;

Same column, penultimate graf, end of first sentence reads///the first place. Proceeding from the current world economic situation, which continues to be particularly grave, and from the widening gaps between rich and poor countries, it was stressed///providing additional passage.

Talks With Romania Called Meaningful, Open

LD2312230288 Belgrade TANJUG Domestic Service in Serbo-Croatian 1650 GMT 23 Dec 88

[Text] Bucharest, 23 Dec (TANJUG)—The 2-day official Yugoslav-Romanian talks at the top level were a meaningful and open exchange of opinions between neighbors and friends about questions on bilateral cooperation, internal development of each country, and the most topical international questions.

Today, Presidents Ceausescu and Dizdarevic, with aides, had a broad exchange of opinions about international topics. The Romanian president stressed that the international situation is still very difficult and serious and that the threat of nuclear war has still not been removed. Despite the initial steps, the arms race basically continues, Ceausescu believes.

Raif Dizdarevic, president of the SFRY Presidency, talking about current trends in the world and changes which are underway, stressed that steps were made away from the policy of confrontation and toward dialogue and agreements and that significant positive moves occured on numerous crises points. Dizdarevic then added that awareness about the necessity of disarmament is growing in the world, which is at the same time one of the important preconditions for development. Of course, all this should not be idealized, Dizdarevic stressed, but the contemporary movements nevertheless indicate that the time of more stable development of the international relations is coming. In order for this process to be permanent, it is necessary for all countries to take part in it, that it encompasses all regions of the world and all areas of international life.

The Romanian president positively assessed development of the Balkan cooperation after the ministerial meeting in Belgrade, advocated continuing these activities in the region, and repeated the idea about a top meeting of the Balkan countries.

Talking about a further improvement of the process of security and cooperation in Europe, Ceausescu advocated concluding the meeting in Vienna as soon as possible. At the same time he expressed the opinion that meetings should not be conceived in such manner in the future, but that shorter and topical assemblies should be held.

Ceausescu stressed that Romania pays special attention to cooperation with nonaligned countries and that it regards the Nonaligned Movement as having a great impact in contemporary world movements, and that the forthcoming summit in Belgrade will be a further stimulus to affirmation and strengthening of the movement's activity.

President Raif Dizdarevic also talked about preparations for the forthcoming summit of nonaligned countries in Belgrade and adoption of the movement to current development in the world with the aim of becoming a more important factor in international relations and support to positive changes which are now occuring.

Looking at a further development of the Balkan cooperation, Dizdarevic said that after the Belgrade meeting of foreign ministers, a continuity for new processes in the Balkans is secured.

It was mutually assessed that the talks were meaningful, friendly, and open. The joint belief was expressed that this top meeting was also a stimulus for improving relations in all areas in the mutual interest.

Foreign Trade Ministers Nenad Krekic and Iaon Vungur signed a protocol about lists of goods for next year. Exchange of goods and services in the amount of $600 million is still envisaged, with a promise that all signed agreements will be fully implemented. This gives hope that we shall have a better trade balance by the end of 1989.

Dizdarevic Returns From Romania

LD2312191488 Belgrade TANJUG Domestic Service in Serbo-Croatian 1806 GMT 23 Dec 88

[Text] Belgrade, 23 Dec (TANJUG)—Raif Dizdarevic, president of the SFRY Presidency, returned to Belgrade this evening from his official friendly visit to the Socialist Republic of Romania.

At Surcin Airport near Belgrade President Dizdarevic was welcomed by Stane Dolanc, vice president of the Presidency; Spasoje Medenica, vice president of the SFRY Assembly; Janez Zemljaric, vice president of the FEC, and other officials.

In his statement to TANJUG the president of the SFRY Presidency assessed the Romanian visit as fruitful and beneficial. During the extensive and sincere talks, he said, relations between the two countries were discussed, as well as all the other topics of mutual interest.

Special attention was devoted to economic cooperation which, unfortunately, has been lagging behind the volume envisioned by commodities' lists ever since 1980.

The president of the SFRY Presidency stressed that the two sides wholeheartedly agreed on the promotion of cooperation in all fields in the spirit of traditional good-neighborly friendly relations between the two countries which have been steadily maintained for years.

Dizdarevic noted that within the framework of extensive and all-embracing talks there was also a very sincere discussion on the position of the Serbian and Croat minorities in Romania and the Romanian minority in Yugoslavia. Certain differences were also manifested when discussing this topic, he concluded.

Both sides also talked about international issues, especially the forthcoming conference of the nonaligned in Belgrade.

Yugoslavia and Romania also agreed that the promotion of good-neighborly friendly relations is in the interest of both countries. To this end they called for the continuation of the already traditional dialogue at the highest level.

Presidency Statement on Visit

LD2712191588 Belgrade TANJUG Domestic Service in Serbo-Croatian 1640 GMT 27 Dec 88

["Statement from a Session of the SFRY Presidency"—TANJUG headline]

[Text] Belgrade, 27 Dec (TANJUG)—At it session today—presided over by President Raif Dizdarevic—the SFRY Presidency endorsed a report on President Raif Dizdarevic's official and friendly visit to the SR of Romania noting that the visit provided yet another stimulus to the efforts to advance relations and cooperation in all areas.

A positive assessment was made of the readiness and interest shown by both sides to advance economic cooperation—which is lagging behind the potentials and needs of the two economies—through long-term arrangements and interstate agreements as well as through links between the two countries' economic subjects and their joint ventures on third markets.

It was said that despite the existing differences, talks on the position and rights of the minorities in both countries are useful because better understanding of these issues creates more favorable opportunities for preserving the cultural traditions and national traits of the minorities which, in turn, contributes to the efforts to enhance trust and further to stimulate broader good-neighbor cooperation.

The SFRY Presidency also supported the view shared by both Yugoslavia and Romania of the need to further cooperation in the Balkans which has assumed new diversified forms and contributes to positive trends in the Balkan region and further afield in the Mediterranean and Europe.

It was concluded that talks which President Raif Dizdarevic and other Yugoslav officials had with PLO Executive Council Chairman Yasir 'Arafat provided an opportunity for a useful exchange of views about the latest trends in the Near East following the proclamation of the independent Palestine state, the adoption of the UN General Assembly resolution in Geneva and the establishment of a dialogue between the United States and the PLO.

In talks on international topics both sides agreed that the current international situation is conducive to even greater efforts by all peace-loving forces, including those in Israel, toward peace initiatives in the Near East. In this context the importance was stressed of the coming summit meeting of the nonaligned countries in Belgrade and the movement's activity under newly created modified conditions.

The Presidency listened to an accepted report from Budimir Loncar, federal secretary for foreign affairs, on the session of the Council for the Cooperation of Yugoslavia and the EC in Brussels and the talks which he had in this connection with Karolos Papoulias, the Greek minister of foreign affairs—Greece is president of the Community during this mandate. The talks with Greek Foreign Minister Karolos Papoulias were conducted in the framework of the recently established and institutionalized political dialogue between our country and the EC. The Presidency was also informed about Budimir Loncar's talks in Burssels with other EC senior officials and ministers of the member countries.

The Presidency again stressed the interest of Yugoslavia, as a European, Mediterranean, nonaligned and developing country, in broad-based cooperation with European groupings orientated toward integration, in keeping with the principles of Yugoslav foreign policy. Again there was emphasis on the vital need for our economy to adapt to the new production and business standards in the EC in keeping with the norms the introduction of which is underway or is imminent, something which is a precondition for its involvement in the international division of labor, and the ensuring and expansion of its presence in the future united market of the EC.

The Presidency at today's session also adopted a decision on pardoning persons sentenced for criminal acts of hostile propaganda as per Article 133, Paragraph 1, of the SFRY Criminal Code. Twenty-five people were released from prison, while 2 people had their prison sentences commuted to suspended sentences. After the adoption of this decision, there is no longer a single person in prison who has been sentenced solely for the above-mentioned criminal act.

Cooperation 'Arrangement' Signed With EC

LD1912191788 Belgrade TANJUG Domestic Service in Serbo-Croatian 1509 GMT 19 Dec 88

[Text] Brussels, 19 Dec (TANJUG)—In Brussels today Budimir Loncar, federal secretary for foreign affairs, and Claude Cheysson, EC commissioner for the Mediterranean and North-South relations, of the European Commision, signed an "Arrangement on Scientific and Technological Cooperation Between the SFRY and the EC" which is aimed at stimulating a quicker integration of Yugoslav enterprises and institutions into scientific and technological programs and projects undertaken by the EC. In this way legal foundations are laid for such cooperation, otherwise generally covered by the treaty on cooperation between the SFRY and the EC. Both sides consider scientific and technological cooperation as one of the "spheres for initiating relations between Yugoslavia and the community" because, among other things, it stimulates organic economic bonds between partners in Yugoslavia and the EC. A firmer, institutionalized scientific and tecnological cooperation enables Yugoslav firms to cooperate with partners in the EC on a more solid basis, thus providing greater possibilities for a quicker restructuring of the Yugoslav economy and its faster integration into international competition and "division of labor". This "arrangement" could serve as an example leading to similar additional arrangements in SFRY-EC cooperation in the areas of environmental protection, standardization, energy, and others.

It is expected that a number of Yugoslav enterprises, including, for instance, the Veterinary Institute of Zemun, Iskra of Kranj, EI from Nis, and others will soon join in scientific and technological programs of The Twelve with concrete projects.

Loncar Cited on EC Relations

LD1912224288 Belgrade TANJUG Domestic Service in Serbo-croatian 1918 GMT 19 Dec 88

[Text] Brussels, 19 Dec (TANJUG)—Yugoslavia is prepared to join the economic and technological integrational processes in Europe and the EC providing this "makes a comprehensive contribution to the Yugoslav economic reform as a very significant turnabout toward a market economy and greater opening to world competition," said Budimir Loncar, federal secretary for foreign affairs, this evening at a session of the Council for SFRY-EC Cooperation. He went on to specify that Yugoslavia is "setting no economic or political limits in advance to this integration and cooperation with the Community". He reiterated that "in order to increase the number of joint options in developing SFRY-EC cooperation, Yugoslavia will carefully study the experience of other nonaligned and neutral countries of Europe and the EFTA member countries in their relations with the Community." Yugoslavia's international position and its development level should be a factor for enhancing cooperation between the SFRY and the EC.

The federal secretary underlined that support for our country and its economic reform is at the same time support for Europe whose integral part our country is to its stability and prosperity.

Loncar went on to stress that "today's debates and dilemmas in Yugoslavia are marked by full agreement among both responsible political circles and the public, on the need for Yugoslavia's increased and fuller integration into Europe, or to be more specific, into European economic, technological, and integrational processes."

'This is our long-term strategic orientation arising from the country's vital national interests" he added, noting that "Yugoslavia and Europe have never been separated either historically, geopolitically, or from the wider cultural aspects".

Having stressed that in the process of integration the EC is faced with the danger of becoming "a fortress" in relation to other countries, Loncar noted that Yugoslavia's problem lay in the possibility of "being pushed to the margin of European economic, technological, and integrational processes and thus condemned to irreparable lagging behind in its overall development." He stressed that "from this historic but also political viewpoint, it is our common long-term converging interest to ensure that the Community remains open to other European countries and Yugoslavia to the EC." "We believe that the enhancement of European identity through the destruction of the existing economic, political, ideological, and other barriers in Europe would be in the interest of all Europeans." Loncar added that "the integration of national economies in this area on a functional basis and for economic reasons is a prerequisite for faster progress and prosperity of all the countries on this continent." But, our federal secretary said, "when we talk about the unity of Europe and interdependence within it, we must not ignore the differences in the level of development of not just its countries but entire regions and the existence of its south. The time has come to give southern Europe the necessary attention and in a more adequate way to approach its economic development regardless of all divisions. By overcoming this gap on its own territory Europe will promote a genuinely new, desperately needed approach to the problem of undevelopment."

Federal Secretary Loncar familiarized his colleagues from "The Twelve" with "the clear conception of the reforms, the measures for the implementation of which are underway." Stressing that it is a matter of constitutional, economic and political reforms, he added that what is happening is a resolute and integrated turnabout toward a market economy, the opening up of our economy toward other countries, and the cessation of all forms of autarky. We aspire to the creation of a unified Yugoslav market, freed from the artificial restrictions and divisions which would hamper its functioning rationally. We will attempt, Loncar said, to strengthen federal influences which are vital for ensuring the functioning of the free market, a uniform monetary policy and banking system, etc. Such a development in the internal sphere and an independent and nonaligned policy make it possible for Yugoslavia, Loncar concluded, to "further open itself up toward all the processes of cooperation and integration and our functional integration into all the existing economic developments in Europe."

Loncar Ends Brussels Talks

AU2112171288 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 21 Dec 88

[Text] Budimir Loncar, federal secretary for foreign affairs, has ended his 2-day political and economic talks in the home of the European Community in Brussels and has departed for Belgrade. Here is a report from special correspondent Dragan Colovic:

The talks of our Federal Secretary Budimir Loncar within the framework of the session of the Council for Cooperation between Yugoslavia and the EC and his talks with the EC Commission President Jacques Delors and Karolos Papoulias, chairman of the Council of Ministers, have confirmed the mutual desire and need for even deeper and more comprehensive economic and political cooperation.

One of the most important results of the 2-day talks in Brussels is the signing of an agreement on scientific technological cooperation which allows modern technology, which is so essential for the restructuring of the Yugoslav economy, to be approached.

As far as the current economic, and especially trade, cooperation which is showing a constant rise is concerned, it was pointed out that there are weak points on our side whose elimination would have the effect of making our cooperation more successful. This involves, above all, the protectionist barriers for our exports so that cooperation in transportation is basically reduced to transit through Yugoslavia. We would like this to be considerably wider and to extend to the modernization of not just highways but also of other forms of transportation, including the railroads. Apart from this, Yugoslavia would like the EC to more widely open up its market for our transporters.

There are also several unresolved questions over the protection of our workers and the talks here in Brussels also pointed out the weaknesses in cooperation in tourism. Of course, in order to eliminate all this by using new technology more, the EC could help Yugoslavia to overcome the present economic crisis more easily.

In the talks on the questions concerning the resolution of the economic, political, and social crisis in our country, full support was given to the measures which are being taken in the country. It is considered here in Brussels that economic reform can strengthen us and make us able to bear more easily serious competition in the [word indistinct] market of the community and apart from this, we should be allowed to have a greater inflow of foreign capital for development. In this connection, it was also underscored in the talks that Yugoslav problems are huge and therefore represent a certain worry for the EC, however, the belief exists that we are able to return and strengthen shaken confidence and to improve economic efficiency.

In a word, we have received support for what we are undertaking. There is also sufficient understanding for our demands but it has nevertheless been specifically stressed here that everything depends on us, or, as someone wittily commented, the ball is again in our court.

Commentary on Entry Into EEC

AU2112220488 Belgrade BORBA in Serbo-Croatian 17-18 Dec 88 p 2

[Momcilo Djorgovic commentary: "Navigating Toward the EEC"]

[Text] For attentive analysts, the latest session of the LCY Central Committee brings a plethora of new data which reveal a gradual articulation of a new, reformed, and navigational map to find the way out of the crisis. What provoked most attention from our own and the wider public was the decision that our country should become even closer to the EEC.

The introductory speaker, Stefan Korosec, unreservedly linked the reform with the FEC's task of assessing "our possibilities of more closely approaching the EEC and in this context take into consideration all possible variants: that we, for example, will be only associated members for a certain period of time and that we will become in a specific period and within a precise deadline a member with full rights." Korosec, of course, balanced this "closer approach" with the "further linkage of the Yugoslav economy with CEMA." In the final speech, Stipe Suvar, president of the LCY Central Committee Presidium, stressed our European orientation, although not as specifically as Korosec, and by remaining firmly on previous principles of an independent and nonaligned policy.

Dogmatic Abhorrence

As far as the "closer approach" to the EEC is concerned, there are quite a few reservations about this orientation, not only among foreign journalists at the press conference given by Stefan Korosec, but also in assessments of some unofficial reactions from diplomatic circles in Brussels and Paris. It is thought that Yugoslavia would in this case have to completely change its present political and economic identity which means, for example, the introduction of a multiparty system and changes in the character of ownership.

In any case, in our political milieu, the decision to become closer to the EEC brings with it a string of new elements regarding the dimensions of our reform. This also says quite a lot about changing some premises in the party software. To put it more freely, in the face of the sobering difficulties of reality, the party has removed one of its veils.

Regardless of the level of relations with the EEC which has been reached so far, in the sphere of ideology, an abhorrence has been felt of the possibilities of closer proximity to the EEC. This abhorrence stems from the earlier years of the cold war, when the European Community was not organized in the same way as it is nowadays.

The question that is asked even without dogmatic hesitation is: To what extent can a nonaligned country be included in the EEC without its losing its independence? In respecting agreements with the EEC, will it not be forced to participate in action (for example of economic retaliation) which would threaten its nonaligned status?

These questions are not new and they have already been asked by two neutral countries in Europe: Switzerland and Austria. The basic dilemma was: How do they enter the Economic Community without accepting both the political and military aims which are implicit in its composition? Neutral countries in such a community can always be out-voted because decisions in it are made by a majority vote. Austria and Switzerland finally approached the European zone of free trade which "does not have the character of a political alliance."

In the USSR it was considered until recently that joining the EEC was incompatible with the status of a neutral country. It was claimed that the EEC is "a clearly formulated political organization under the leadership of the FRG, the economic heart of NATO in Europe." Detente and the independence of the West European countries in the last few years have also caused the attitude of the USSR to change and it is expected that official negotiations will begin on establishing so-called conventional relations between CEMA and the EEC.

The Status of an "Associate"

Experts believe that in the case of a nonaligned country an analogy cannot be drawn with neutral countries. According to this attitude, there are no barriers to nonaligned countries joining the EEC as this does not represent a multilateral alliance or the concluding of a bilateral agreement on a military alliance. In any case, the analogy is drawn with Cuba, Vietnam, and Laos which did not lose any features of full membership of the Nonaligned Movement when they joined CEMA. One should consider that many EEC countries have socialist or social-democratic governments. Nonetheless, there are those who believe that the European Community still has "the very distinct attributes of a bloc."

On the other hand, however, it is thought that within the framework of Western Europe, southern Europe, and the Mediterranean, the EEC provides peaceful cooperation and prevents the causes which led to the First and Second World Wars. In any case, the project of creating the "United States of Europe" is under way and this in fact has the aim of avoiding the danger inherent in becoming involved in the game between the two superpowers. The European Community is not formally-legally connected with NATO (nor do its political stands and interests correspond in every question with those of the leading member of NATO—the United States) but the well-informed warn that the EEC has a precisely specified political aim (with military-strategic implications): the unification of Europe on the political and economic principles which are common to countries of the West (civil democracy, the capitalist method of production, and the Western concept of human rights).

Privileged Treatment

Indeed, Article 238 of the Rome Accords allows the status of "association" to the EEC but this, it is believed, means more than an ordinary trade agreement although it also does not mean a country's entry into the EEC. In any case, it is clear that entry into the EEC cannot be considered as the purely "economic," "technical" question of the creation of a customs union.

Our agreement with the EEC is treated as sui generis because of the political position of our country. However, the well-informed say that within the EEC this agreement is treated internally in the same way as all the other agreements that have been concluded with Mediterranean countries (Algeria, Morocco, Tunisia, and so on) which again does not mean that it is not sui generis. During talks in the seventies, the EEC did not for a long time agree to the term "nonaligned" being included in the agreement. The acceptance of Yugoslavia as a developing country was never totally clear and complete. Experts claim that there are attempts in this case to create divisions and discord among developing countries which act in a joint front at various multilateral conferences. However, the special treatment of developing countries by the developed countries is a phenomenon which will get stronger and stronger, believe the well-informed, and they add that this is logical as the one who is "developing" will probably one day also be "developed."

It is true that within the context of GATT (the General Agreement on Tariffs and Trade) and regardless of the fact that it is based on principles of non-discrimination, Yugoslavia has a privileged position which is not approved for "third countries" (and relates to the free import of most industrial products and certain privileges in the import of agricultural products). During talks in GATT, the EEC thought that the aim of our agreement was the creation of a free trade zone. Those well-informed in our country have until recently believed that this would be a far-off aim (because it is of an exclusively technical and economic character) of the SFRY's relations with the EEC, in contrast to actual entry which implies significant and sensitive questions. It was believed that the greatest obstacle to our entering the EEC was the "total lack of competitiveness of our economy" toward foreign partners and that such questions were "quite academic." However, as we have seen, the party is asking for all this to be re-examined.

It is otherwise thought that after two expansions of the EEC in the eighties through three new Mediterranean members, the field of influence of the community is shifting toward the European south (so-called "Mediterranization"). France and Italy are becoming the champions of a supra-national EEC policy (which they were not before). However, the road to entry into the EEC is "long and thorny, full of distrust and caution from the old members who define the increasingly exhausting negotiation processes." It took Spain 8 years to enter the EEC in this way.

Whether we will find it as difficult to enter the EEC as it is for a camel to go through the eye of a needle, is a dilemma which will be solved by the creators of our economic policy. Although this does not at all depend only on us, there is also the question of what the other side thinks about all this. In any case, the terrain is slippery and the decisions far-reaching.

Slovenia's Kucan on EC Relations

LD2212202788 Belgrade TANJUG in English 1625 GMT 22 Dec 88

[Text] Ljubljana, Dec 22 (TANJUG)—President of the League of Communists of Slovenia Central Committee Presidency Milan Kucan said on Thursday that at present Yugoslavia is not ready to accept the "challenge" of joining the European Community due to social, economic and political reasons.

Addressing a meeting of war veterans in Ljubljana, Kucan said that Yugoslav-EC relations can only be competently discussed after a comprehensive analysis which would show where stands Yugoslavia and where the EC.

The question of diversifying the Yugoslav-EC relations was raised last week by secretary of the League of Communists of Yugoslavia and Kucan's fellow countryman Stefan Korosec. it was also discussed during a "political dialogue" earlier this week between Yugoslavia Foreign Secretary Budimir Loncar and his counterparts from the EC member-countries.

Kucan also said that the programs of the Social-Democratic Alliance and the Democratic Alliance of Slovenia, whose setting up is advocated in this Yugoslav republic, contain some good things, but also a number of negations of everything socialist in Yugoslavia, which is unacceptable.

Kucan recalled Yugoslavia's bad experience with its multi-party system prior to World War Two, as against the activity of the liberation front which rallied all progressive social forces in Slovenia during and after the war. In this context he stressed that even when a renewal of the League of Communists and its "stepping down from power" are mentioned, this does not mean that the party in Yugoslavia will cede monopoly to others or renounce its political initiative.

Kucan warned that it would be hard to implement the conceived economic and social reforms in the prevailing crisis situation in the country. The solution is to continue insisting on real economic categories such as interest rates and the exchange rate of the dinar, as well as on alleviating the burden of the economy and cutting down budget expenditure, said Kucan.

We can revive initiative and regain the confidence of people, who are now very dissatisfied, only by means of tangible results and by launching a common pro-reform movement Kucan concluded.

'Arafat Gives 'Special Interview' in Belgrade

AU2712174788 Belgrade POLITIKA in Serbo-Croatian 22 Dec 88 pp 1-2

["Special interview" with Yasir 'Arafat, chairman of the PLO Executive Committee, by Borivoj Erdeljan—in 'Arafat's Belgrade residence "last night"]

[Text] [Erdeljan] In chess talk, after the November meeting of the Palestinian National Council in Algeria, the UN General Assembly meeting in Geneva and your press conference that followed, and the opening of the dialogue with the United States, the PLO has been playing a "rapid diplomatic game." What is expected to be the next move?

['Arafat] As you can assume, we have a specific strategic plan about peace which we announced at the session of the Palestinian National Council in Algeria. In a way, I reiterated this plan at the meeting of the UN General Assembly in Geneva. We continued this practice through Palestinian-American dialogue. We call this a "peace attack." This "invasion" is based on the Palestinian initiative I proposed in Geneva.

[Erdeljan] The opening of the dialogue with the United States has been expected for a long time. However, when can one expect these talks to acquire an essential value and to expand into something much greater than meetings with U. S. ambassador to Tunisia Pelletreau?

['Arafat] I think that, as far as an essential meeting is concerned, we have already had one, with Ambassador Pelletreau, and as far as the level is concerned, I think that we shall have to wait for the new administration. There is only 1 month to go. Besides, Pelletreau is not only the ambassador to Tunisia, but also a political personality. He possesses a political import and has had many important political roles, be it in contacts with other Arab countries or with other American partners.

[Erdeljan] In the brief statement you made after coming to Belgrade you said that "Yugoslavia has a special role." Can you be a little more specific following the talks you had with Dizdarevic and Suvar, presidents of the state Presidency and the party Presidium?

['Arafat] We again confirmed the special role your country plays, considering its position; I mean primarily its position in the Nonaligned Movement. In that connection, it is not accidental that it was decided that Yugoslavia becomes the host of the ninth summit of the nonaligned countries. That points to the great confidence that your country enjoys among nonaligned countries and its prestige in the international sphere. In this context, I have discussed many issues with the president of the state and the president of the party. We talked about the Yugoslav role. We also considered Yugoslavia's position in Europe and, on the other hand, its specific relations with Arab countries. I would stress here the friendly, specific relations that exist between Yugoslavia and Palestine.

[Erdeljan] When can one expect the Palestinian Government to be formed and where will it have its seat? Algeria, Tunisia, and Cairo have been mentioned.

['Arafat] First of all, I would like to stress that our brothers in Tunisia have expressed their willingness to offer their hospitality to our interim government. We have not received this message only through informal channels, but also from Ben Ali, president of the Republic of Tunisia. As far as the government itself is concerned, we have been preparing certain studies....

[Erdeljan] Agencies report that during your visit to Vienna you said that according to your vision, the Palestinian state will need 2 years to come into being.

['Arafat] They asked me if my prediction was 5 years, but I answered, if God wills it, it will be within 2 years.

[Eredljan] Will the borders of the future state run along what we today call the West Bank and Gaza?

['Arafat] This state will be founded on the Palestinian occupied territories.

[Erdeljan] How do you assess the present reaction. Where does the greatest support to a diplomatic PLO come from, and where does opposition lie, if it exists?

['Arafat] First of all, the Arab response was very good on the whole. The entire Arab world supports the Palestinian initiative and it is not accidental that the foreign ministers of all Arab countries were present in Geneva when I addressed the UN General Assembly. They also decided to reactivate their 7-member committee....

[Erdeljan] Are there any negative attitudes? They were reported from Tripoli and Syria.

['Arafat] As far as Libya is concerned, it is not true that demonstrations against the PLO's moves took place there. A skirmish took place in the street where our office is situated in Tripoli, but this was resolved. As regards Syria—I am here speaking on the behalf of the PLO—and as regards those organizations which belong to certain Arab countries' intelligence services, I do not have any contacts with them. And I do not speak on their behalf. All Palestinian organizations are within the PLO. The National Council, which is a democratic forum, held a meeting in Algeria and adopted a decision which was accepted by everybody, that is to say everybody supports it. Those who had some reservations had expressed them at the meeting democratically, as is done in every parliament.

[Erdeljan] How do you view the development of contacts with supporters in Israel?

['Arafat] According to the decisions of our National Council, we are developing a dialogue with all Israelis who support our rights and believe in peace. The question is whether the Israeli Government intends to annul the law according to which every one of its citizens who comes into contact with us is a subject of punishment. In order to annul this decision the government needs two-thirds of votes in the Knesset (Israeli parliament), but this does not exist.

[Erdeljan] What do you think about the newly formed Israeli Government of the old Likud-Labor formula?

['Arafat] This is a government of paralysis. The Labor Party unfortunately renounced its election platform and is returning to the positions of the Likud. The government's program contains a "no" to talks with the PLO, the creation of a PLO state, and a return to the borders of 4 July 1967, and a "yes" for the building of settlements on the occupied territories. Shamir has already issued the order to the Army not to observe moral principles in dealing with the Palestinian uprising, the participants in the "intifadah," and stated that all brutal measures, including killing, are permissible. I honestly ask the citizens of Israel: Has the Labor Party of Israel disappeared or is it on the way to disappearing....

[Erdeljan] Has the "intifadah" been the stimulus to the political initiative of the PLO, and has it speeded up its offensive?

['Arafat] The Palestinian initiative for peace is the consequence of two basic processes. The first is "intifadah," and the second is our long-lasting struggle in the camps in Lebanon....

[Erdeljan] What are the relations like between the PLO and the USSR at present?

['Arafat] We have good relations with them....

U.S. Customs' Politics of Money Laundering

AU1912194988 Belgrade BORBA in Serbo-Croatian 16 Dec 88 p 9

[Dusan Zupan report: "Customs Official" Wants To Become a Minister"]

[Text] Washington, 15 Dec—If nothing else, it is now known why the affair that arose with the arrest of the Consul General of the SFRY in Chicago, Bijedic and the head of the Ljubljana Bank's New York branch, Vinko Mir has been called "the flying paper kite." The daily PHILADELPHIA INQUIRER claims that American customs officials gave it this code name because of the well-known experiment by the politician, writer, philosopher, and scientist, Benjamin Franklin, who in his time investigated the electrical charge of lightning by flying paper kites during bad weather.

However, the INQUIRER does not explain the symbolism of connecting this recognized experiment by one of the most prominent personalities of the 18th century, not just of American history, and the inglorious affair during which secret American customs agents—and not the FBI as was earlier reported—not only entangled two Yugoslav representatives in their web, but also tried to involve the whole of our country and its government as well.

Denied Claims

The first act of the affair—the arrest of the counsel general and a prominent banker with proof about which the courts will have the final word—was unpleasant enough. This obviously was not enough for the American customs officials whose chief, William von Raab, has a burning desire to become a minister in the new government of President George Bush which is now being set up.

For this he probably needed more weighty success which would not only contain accusations but also, as the defense says, very shaky proof against individuals, but the "customs official" tried to take part in politics and involved Yugoslavia as a state in the whole affair.

According to what is known, this side of the affair was based on even more "concrete" proof: tape recording of telephone conversations and statements given to agents provocateurs by the accused Americans, Hubert Cole and Vjekoslav Spanjol.

However, a large part of what they said and what the customs officers recorded has been denied. So Cole's claim that he could acquire plans for the American F-16 fighter bomber has been denied by the General Dynamics company, whose president announced that no one had computer access to these plans and the company had never had any kind of agreement with Vjekoslav Spanjol's waste disposal firm. This seems to be one of large number of Cole's stories about espionage which the state prosecutor has believed—through garbage to the stars, that is, airplanes. He has also said that most of the plans for the F-16 are no longer secret. The "highly confidential" stamp was removed from them quite a long time ago.

Matters concerning diving equipment should now be explained. This involves a device which can recirculate the air used by divers and which does not fall into the top category of "high technology" as Von Raab said in a press conference on 1 December. It is claimed that only a permit from the State department was necessary for the export of the device. According to the charges, the device was "brought into Yugoslavia by the aforementioned Cole and Spanjol and shown to the Yugoslav intelligence service." According to the same story, our service did not like it so the two men later had to "return via West Germany, where it fell into the hands of American and West German secret agents who thus discovered that it was being smuggled."

The scenario of this charge is funny and naive, but the closed circle which the device followed, if it ever left the United States, as well as the statements which have been made in this connection, throw much light on the final intentions of the American creators of the "flying kite" plan and its apparent perpetrators, Cole and Spanjol, who were given the task of harming Yugoslavia at any price.

Why Not Tell the Yugoslavs as Well?

And another thing, in the statement that was issued on the day that Bijedic and Mir were arrested the American authorities thanked the Government of the Bermuda Islands for its cooperation. It seems that Cole and Spanjol "laundered" the money in Bermuda so that when the authorities there "cornered" the local bank, certainly after information received from the United States, these two "remembered" Yugoslavia.

According to the charge, the first sum of $100,000 was allegedly laundered in the Economic Bank in Zagreb as early as 24 November 1987. Similar operations followed in our country on 19 January and 25 February this year with $200,000 each time. Then it was the turn of Ljubljana Bank's branch in New York, where it is claimed that $135,195 was laundered on 24 March. The story of the charges involving Bijedic begins in August this year and the arrest took place, as is known, on 1 December.

Why did the American authorities not give information to the Yugoslav Government or any of its organs in the same way as it did to the Bermuda Government?

One should look for an answer to this question, irrespective of whether the court in Philadelphia will find Bijedic, Mir, and the Ljubljana Bank's branch guilty or innocent. This answer should be given by the responsible American organs in the interest of the friendly relations and mutual trust between the two countries.

Milosavljevic Interviewed on Economic Reform

LD2512143088 Belgrade TANJUG in English 1240 GMT 25 Dec 88

[Text] Belgrade, Dec 25 (TANJUG)—The beginning of the reform, of the process of adjusting the Yugoslav economy to changes in the economic system, has not been brought into question and must not be put off, Yugoslav Vice-Premier Milos Milosavljevic has said.

In an interview to the Yugoslav news agency TANJUG, Milosavljevic said that the reform does not involve changing the country's overall economic system. The federal government had not been given such a task, nor is such a major undertaking possible in such a short period, he said.

Milosavljevic noted that the economic reform is almost a decade late, because changes of the system were not possible under the until recently valid constitutional framework. He assessed that this was the reason why the greater part of the 1982 long-term program of economic stabilization has not been carried out.

By the end of the year, the assembly is expected to adopt nine systemic laws necessary for the implementation of the coming reform. According to the existing schedule, the remaining laws are to be adopted by next July, i.e, the end of 1989. [as received]

The fact that some of the proposed laws will be passed by the federal assembly later is not in itself a catastrophe, since reforms are not introduced in the economy through laws only, Milosavljevic said. This process is more comprehensive and regulations are only a framework for its implementation, Milosavljevic said. In fact, the complex process of adapting the Yugoslav economy and its structure to market conditions begins on January 1, 1989, he underscored.

However, if a new government were believed to be able to accelerate this process, Milosavljevic said he would be in favor of it not only in terms of overcoming the country's economic but its overall crisis as well.

Milosavljevic warned that without radical solutions bringing about the opening of the Yugoslav market to foreign competition, there will be no success. This implies a better position for the economy in distribution, a reduction of taxes and a stricter monetary and financial discipline, Milosavljevic said.

He also warned of the necessity of a reform of the state—from the commune to the federation. The new economic system implies a more up-to-date state and a different method of work of its bodies, Milosavljevic said in his interview to TANJUG.

Slovene Assembly Opposes FEC Economic Policy

LD2012110088 Belgrade TANJUG in English 1914 GMT 19 Dec 88

[Text] Ljubljana, dec 19 (TANJUG)—The Yugoslav Federal Government's economic policy for next year was not adopted by the Slovenian republican assembly today, because the deputies of the country's most prosperous republic hold that the proposed laws do not provide a basis for the country to surmount the crisis and slash inflation, whose annual rate exceeds 220 percent.

According to the Slovenian Assembly, the proposed economic policy neglects the essential unburdening of the economy, does not clearly define the importance of exports to the convertible currency market, and is not directed towards reducing the extra-budgetary balance.

The deputies of the Slovenian Assembly rejected that their republic's contribution to the federal budget amounts to 736.8 billion dinars (approx. 4,800 dinars to the dollar), stressing that less than half the sum, 354,1 billion dinars, was much more realistic.

Emphasizing that only a market-oriented economy can lead the country out of the crisis, Slovenian premier Dusan Sinigoj said that such an economy required the state's non-interference in the economy and a developmental policy geared to the implementation of the strategy of a united Europe by 1992.

Underscoring that Yugoslavia needed good, instead of rushed, ill-considered laws which expose it to risks, vice-president of the Slovenian Assembly Joze Knez stated that the adoption of the proposed laws should be postponed until next March.

Knez proposed as many as six amendments to the Law of Foreign Investments. He proposed that foreign investments with five-year or longer contracts should be freed of tariffs, and that foreign investors should be given access to the ledgers. Contracts on foreign investments should be registered with a court, thus abolishing the Yugoslav Government's discretionary right, while the conditions for breach of partnership contracts and the rights of foreign investors concerning profits and losses should be more clearly defined.

Work Organizations Losses Continue To Rise

AU2112131488 Belgrade BORBA in Serbo-Croatian 16 Dec 88 p 14

[J. K. report: "The Economy's Losses Stand at 520 Billion Dinars"]

[Text] As a result of uncovered losses at the end of September, insolvency proceedings [stecajni postupak] have been started against 79 work organizations throughout the country employing 9,884 workers. The greatest number of these basic organizations of associated labor is in Croatia, 24; in Macedonia, 21; in Serbia proper, 12; in Bosnia-Hercegovina, 11; in Vojvodina, 6; and in Slovenia 5. No insolvency proceedings were started in Montenegro or Kosovo. In Montenegro, however, proceedings have been started against the Social Accounting Service for failing to undertake the measures envisaged by the law concerning the financial bailout of six basic organizations of associated labor...

The situation concerning losses is becoming increasingly alarming because, as a result of the long-lasting crisis, all the reserves which could be used to settle the losses have been exhausted. This is why not even one-half of the losses incurred last year could be covered by the end of September. This has never been the case before. According to the Social Accounting Service of Yugoslavia, only 47.9 percent of the losses had been covered before 30 September despite the fact that the financial rescue processes had been completed within the envisaged deadlines. Losses amounting to 520.9 billion dinars are still to be covered. They were incurred by 263 basic organizations employing 68,788 workers.

In terms of republics and provinces, losses were covered least in Bosnia-Hercegovina, only 24.5 percent of them because 88 percent of all losses were incurred by 55 basic organizations of associated labor belonging to Agrokomerc. These organizations are now facing insolvency proceedings because of the continuous illiquidity that has lasted for many months. In Kosovo, 39.9 percent of the losses have been covered; in Montenegro 51.1 percent; in Serbia proper 62.1 percent; in Vojvodina 64.4 percent; in Macedonia 73.8 percent; in Slovenia 74.8 percent; and Croatia 77.4 percent.

According to the latest information of the Federal Accounting Service, the situation did not significantly improve in October. On the last day of the month additional losses of 73.2 billion dinars incurred by 37 basic associated labor organizations had been covered, and the level of cover rose to 55 percent. At the same time insolvency proceedings have been started against another 18 basic organizations of associated labor.

'About 3,000' Trepca Miners on Strike

AU2812094088 Belgrade Domestic Service in Serbo-Croatian 0900 GMT 28 Dec 88

[Text] The miners of the Trepca mine at Kisnica started to strike this morning. They demand that their personal incomes be increased by 100 percent. About 3,000 workers of the mine and its flotation plant are on strike.

Trepca Miners Defend Albanian Protests

AU2712180688 Pristina RILINDJA in Albanian 22 Dec 88 pp 1, 6

[Ismet Begu report: "'Our Way Is Only Tito's Way'"]

[Text] Titova Mitrovica, 21 Dec—We are the revolutionary workers' class and have shown this at every stage of the revolution and the socialist development of our country; we are not counterrevolutionaries or people who have been manipulated, as individuals and even forums have accused us. Our goals are and always have been to struggle for the highest possible production and for the harmonious progress of the entire country, and to commit ourselves to complete national and class equality, as Tito taught us. Therefore, we reject every accusation, insult, and slander that is laid at our door, because we recognize no road other than Tito's.

These words might encapsulate the essence of the discussion of more than 1,200 Stari Trg miners with representatives of the Serbian LC Central Committee, Dusan Catovic, presidium member, Dobrosav Bjeletic and Svetislav Trajkovic, executive secretaries, and the provincial officials Hashim Rexhepi, Shaban Bojniku, and Mehdin Gjakova. The miners touched on many other aspects of the current political situation and gave reasons to explain their recent gatherings and journeys to Pristina. As they said, these arose spontaneously as a result of the accumulated rage of many years over the attacks, accusations, and insults leveled against the Kosovo workers' class and the entire Albanian nationality, from heroes of the people down to newborn children.

Dignified Gatherings, Not Counterrevolutionary

Juliana Gashiq, president of the Trepca Flotation Mine LC Action Conference, informing those present of the reasons for the recent miners' gatherings, said that the Serbian and Montenegrin solidarity gatherings, a large section of the media, some legal institutions in Serbia, and certain individuals and groups have been making insinuations in the name of the Serbian and Montenegrin peoples, who have their genuine problems, and have exploited their problems in order to create an anti-Albanian atmosphere and to show that the time has come to realize their dark aims.

However, she added, these gatherings were dignified, as is suitable for miners. During the 2 days on which they were held in Pristina, Titova Mitrovica, and on the road between the two towns, there were no antisocialist or anti-self-management statements, not a single unacceptable slogan was heard, and no people or nationality was insulted. All this shows that these gatherings were not counterrevolutionary. Juliana Gashiq said that this begs the question of how they can be considered as such when it is well-known that the miners have always been a bulwark against nationalism and have struggled against it with all their might.

About 200 miners then indicated their desire to speak, but because of the time factor (the meeting lasted more than 7 hours), the floor was given to about 20 of them. Esat Jusufi said that fear for the fate of Yugoslavia impelled us to gather in the meetings. We Albanians are not nationalists, and nor is the workers' class of Kosovo an enemy of Yugoslavia. We can tell black from white and justice from injustice. It is a cause for great amazement that some leaders who have sworn to be true to the party and Tito's road are denying the worth of the revolutionary workers' class, as is present at Trepca, and are sowing division among Yugoslavia's peoples and nationalities.

Bajram Musliu said, among other things, that he was amazed how Slobodan Milosevic, as an old Communist, can have permitted certain individuals to take to the streets and call for weapons to kill the Albanians. Concerning Serbian and Montenegrin emigration, he took the view that this is taking place because of better conditions in the areas where they are moving, and not simply because of direct pressure from the Albanians. Bajram Musliu said that he himself was to gather his belongings and move to Serbia if better living and working conditions could be guaranteed for him there. However, Skender Ilazi, president of the SAWP Communal Committee, dissociated himself from this view, saying that assessments of emigration had been issued at all levels of the commune.

The gatherings of Serbs and Montenegrins, at which there were astounding slogans, shouts, and pictures, were called solidarity gatherings, whereas our gatherings, where we shouted about Tito, the party, and brotherhood and unity, were considered counterrevolutionary. I fail to understand how the legal president of a party can incite Serbian and Montenegrin gatherings, and yet see nothing but darkness in Kosovo, and say that the Albanians are waging terror and genocide. He asked who financed the so-called solidarity gatherings in Serbia.

Tahir Sadiku dissociated himself from the part of Bajram Musliu's speech in which he said that the 1974 Constitution cannot be touched. In fact, he added, we are merely protecting its fundamental principles. Muje Idrizi dwelt on the same subject, expressing the views of the Stari Trg miners on the need for constitutional changes, but only for those which lead us forward and ensure complete equality among the peoples and nationalities. However, he expressed indignation that all the efforts of progressive forces to stabilize the situation in the province are being discounted. Why has nobody rejected the slander that Kosovo is like South Africa, because everybody knows that there is no terror or genocide here. It was the unremitting attacks on our national symbols, our culture, on our education, our cadres, and everything progressive that is Albanian that led to our journeys to Pristina. It was only Draza Mihajlovic, Artukovic, and Xhafer Deva who called for weapons and fratricidal war. Who dares to do this now?, Rasim Salihu asked.

We Albanians have been very worried ever since Tito died. I do the heaviest kind of work in the mine. However, my heavy loading gear seems like a child's toy when I think of the offensive expressions about the Albanians that are put out by the media every day. What do we Albanians have to do and what do we have to say to stop them identifying us with nationalists and chauvinists? How could the highest Serbian party leader, when he came to Kosovo Polje, turn to to the people and say "Gde ste braco srbi?" ["How are things, brother Serbs?"—Serbo-Croatian in original]

Sibin Djordjevic said that it is the leadership, not the workers' class, who is to blame for the present situation. Once, we lived well and in harmony together, but somehow we have now become divided, and this is unpleasant. Tafil Jusufi expressed the view that whoever defends the people of Kosovo lays himself open to criticism and repercussions. Even Stipe Suvar seems to think this, because he did not reply to our invitation to come here and visit us. Repeating once again that the miners' gatherings were spontaneous, Enver Kelmendi said that their movement had been aroused by the anti-Albanian campaign in Serbia, Macedonia, and Montenegro, and by the demand to expel one-half of the Albanians beyond Prokletija. Jahir Kurti said that this and many other unacceptable demands appeared on the scene after Tito's death, and were produced by those who want to divert his road. Zenel Hamiti said that we did not go to Pristina to ask for anything that is not ours by right, and if necessary, we will also go to Belgrade in pursuit of our rights.

This speaker, like others, rejected the lies that had been said about the miners and the leadership of the Stari Trg Flotation Mine and the Trepca Combine. According to them, work had started well, and high production results had been recorded, since the arrival of new equipment at the mine and the combine. In this context, Burhan Kavaja, director, announced that the Stari Trg mine will complete this financial year with a profit of 5 billion dinars, after many loss-making years, and this is a laudable result.

Gatherings on the Streets Are Unacceptable

Dobrosav Bjeletic, executive secretary of the Serbian LC Central Committee, devoted the greater part of his speech to explaining the essence of the constitutional changes, and allaying fears that the new constitution will restrict anybody's rights. On the contrary, he added: Everyone will gain. Meanwhile, Svetislav Trajkovic said that he agreed with meetings of this kind, while those that spill over onto the streets cannot solve problems. Precisely for this reason, the legal organs of the system must be affirmed as strongly as possible.

Dusan Catovic, member of the Serbian LC Central Committee Presidium, was concise in his speech, especially concerning the assessment of the miners' gatherings. "I have never heard anyone at any meeting call your gatherings nationalist," he said, and, in reply to miners' questions of whether individuals who had shouted unacceptable slogans at Serbian and Montenegrin solidarity meetings had been punished, said that adequate steps had been taken against them all.

Hashim Rexhepi also underlined the fact that nobody has anywhere said that the miners' gatherings were against the LCY line. Nevertheless, a proper assessment of these events will be issued soon, and this will eliminate any argument over this issue. As is well-known, a commission made up of members of the Kosovo LC Provincial Committee, the Serbian LC Central Committee, and the LCY Central Committee is working on this matter. Hashim Rexhepi said, among other things, that the turning point that has been reached in the business affairs of this organization is especially cheering, and voiced the need for greater unity at every level in order to overcome the crisis.

Burhan Kavaja, closing the gathering, expressed his gratitude to the miners for the maturity they had shown both in their speeches and in fulfilling their production tasks, and invited them to make their contribution to increasing production next Saturday and Sunday, which are holidays. This proposal was unanimously accepted by the miners, who closed the gathering as they began it, with shouts for Tito, the party, and brotherhood and unity.

[The following passage appears boxed within the body of the item]

We Are Fighting Against Nationalism Among Ourselves

We have fought, and will fight with all our might against Albanian nationalism, but every people and nationality must do the same among their own ranks. It is not fair that one side should sharpen its ax, and another lose its head. They say that Serbian and Montenegrin children are frightened by the Albanian gatherings, but one wonders whether anybody considers how our children react when they hear people at Serbian gatherings say that they want weapons, and will set off to Kosovo to fight, Tafil Jusufi said.

Many Unanswered Questions

In their speeches, the miners asked many questions either directly or obliquely. Most of all, they wanted to know why no Communist in Serbia had spoken out and dissociated himself from the unacceptable slogans at the Serbian and Montenegrin gatherings, and why these gatherings had been called solidarity meetings, while those in Kosovo, at which only slogans within the LCY line had been shouted, were counterrevolutionary. Who financed the solidarity meetings? Why are the words terror and genocide being used, when they were unheard of in Tito's time? However, the majority of these questions remained unanswered.

Kumanovo Demonstrators Sentenced to 5 Years

AU2712133088 Pristina RILINDJA in Albanian 23 Dec 88 p 9

[N.A. report: "Two Demonstrators Sentenced"]

[Text] Kumanovo, 22 Dec—Kumanovo Communal Court today sentenced two women from Kumanovo, Xhemile Sopi (27), worker, and Rexhie Avdiu (20), unemployed, to 5 years imprisonment each. During the demonstrations of Albanian schoolchildren and their parents in Kumanovo, Xhemile and Rexhia were at the front of the demonstrators, and resisted the militia as they were performing their duties. The accused were also charged with shouting the slogans "We want schools;" "We want teachers;" "We have the staff;" "We want freedom;" and "Better in our graves than slaves."

Prison Sentences to Arms Smugglers in Kosovo

AU2012164188 Belgrade POLITIKA in Serbo-Croatian 16 Dec 88 p 10

[TANJUG report: "Group of Arms Smugglers Sentenced"]

[Text] Pristina, 15 Dec—The Pristina District Court pronounced sentences to a group of arms and ammunition smugglers. Out of the total of 12 people charged, 8 were given sentences ranging from 6 months to 4 and ½ years, while 4 of them were acquitted due to the lack of evidence.

Between January and May of this year, those sentenced sold 43 guns, 1 rifle, 1 automatic rifle, and a fairly large amount of ammunition. The leader of the group of smugglers is Adulah Havoli, from Podujevo, who obtained arms from an unknown person from Celje, where he worked. Havoli is still at large.

Arms had been sold at fairly high prices. For instance, guns were sold for of DM 750-1,000 each, mainly in the Podujevo commune from where most of the sentenced people come.

The following were sentenced to 4 years and 6 months: Sacir, Malici (31), an economist; Halit Malici (42), a pensioner; and Idriz Murati (30), a driver.

Nedzrim Havoli (25) was sentenced to 4 years and 4 months and his brother Cerim Havoli (32) was sentenced to 2 years and 4 months. Saip Redzepi (32), Sulejman Potera (23), and Fehmi Begoli (32) were sentenced to a prison sentence of 6 months.

6 Ethnic Albanians Held for Arms Smuggling

LD2712123588 Belgrade TANJUG Domestic Service in Serbo-Croatian 1137 GMT 27 Dec 88

[Text] Vranje, 27 Dec (TANJUG)—The investigating judge of the Vranje District Court has instigated an investigation against six ethnic Albanians because of the well-founded suspicion that they procured in Switzerland, by prior agreement, five automatic rifles and a large quantity of ammunition of various calibres and then attempted to transport this over the Austrian-Yugoslav border at the Sentilj border crossing.

According to a statement from the Vranje District Court, these smugglers were discovered by customs inspectors when they attempted to transport the arms and ammunition into Yugoslavia in two cars. They were handed over to the investigating judge of the Vranje court because their places of residence are within the area of the Municipalities of Bujanovac and Presevo and they were temporarily working in Switzerland. Their names have not been reported for the time being, in the interests of the investigation.

Kosovo Internal Affairs Makes Cadre Changes
LD2312183588 Belgrade TANJUG Domestic Service in Serbo-Croatian 1732 GMT 23 Dec 88

[Summary] Pristina, 23 Dec (TANJUG)—Cadre replacements have started in the Kosovo Secretariat for internal affairs due to failures in connection with the mass gatherings and demonstrations of members of Albanian nationality. The Kosovo Executive Council relieved of duty Selim Brosi, head of the state security service, and Azem Vlasi's brother, Ali Vlasi, head of the analytical department, one of the key positions in the state security department. Dismissals will also follow at other levels in this service, as recently announced by Rahman Morina, provincial secretary for internal affairs. All this should help unmask the organizers of the Novembers gatherings and demonstrations.

Slovene Democratic Association Platform
AU2712152988 Belgrade BORBA in Serbo-Croatian 23 Dec 88 p 2

[V. Simonovic report: "Competition of Political Ideas"]

[Text] Ljubljana, 22 Dec—The Slovene Democratic Association (previously called the Slovene Democratic Association of Reason) has published its platform which was drawn up by, as could be seen from the number of signatories, 23 people. The main aim of the association is, as was written in the program, to establish parliamentary democracy. This means that the association will push for a parliamentary system, for the competition of political ideas, and free elections.

The first task of the association is to draw up a new Slovene Constitution which would be based on human rights and which would clearly redefine Slovene statehood, relations with other Yugoslav peoples, the Slovene defense policy, and political and economic institutions in Slovenia. The Slovene Democratic Association will work under the SAWP's auspices, although independently. It will also work for the autonomy of the SAWP in the Slovene and Yugoslav political arena. The platform states that the signatories are taking seriously the plan of the LC to "step down from power" and that they are even offering their help for this.

We will work for the efficient supervision of the state and civil society over the Armed Forces, police, and intelligence services, the platform states. "The necessary part of this supervision is the abolition of military courts in peacetime, stripping military personnel of extraterritorial status, the control of the military budget, eradicating any ideological bias of the military forces, and stimulating civilian analyses for their activities which must be lawful. It will strive for the equality of language in the Yugoslav People's Army and for the recognition of conscientious objectors."

In the sphere of foreign policy, the association favors a neutral foreign policy.

So far there has been no reaction from political and self-managing institutions in Slovenia to the theses of this platform. The initiators of the association have already announced that the founding assembly of the Slovene Democratic Association will be held in the Cankar Hall in Ljubljana on 11 January of next year.

Serbian Executive Council Vice President Resigns
LD2712161188 Belgrade TANJUG Domestic Service in Serbo-Croatian 1425 GMT 27 Dec 88

[Text] Belgrade, 27 Dec (TANJUG)—Radenko Zunic, vice president of the SR of Serbia Assembly Executive Council, was released from his post today. A decision to this effect was passed by the SR of Serbia Assembly following Zunic's resignation. Explaining his resignation, Zunic, former director of the Zorka chemical complex in Sabac, said that after criticism directed at him by the Zorka workers he had found it impossible to continue in his present post.

Serbian Leadership Criticizes SFRY Government
LD2312213088 Belgrade TANJUG in English 1850 GMT 23 Dec 88

[Text] Belgrade, Dec 23 (TANJUG)—The Yugoslav Government's economic policy for 1989, that has drawn sharp criticism from the political forums throughout the country, today also failed to win the endorsement of the party leadership of the Yugoslav Republic of Serbia.

The Presidency of the League of Communists of Serbia Central Committee assessed the government measures as incomprehensive and inconsistent, stressing at the same time that they offered no guarantee that inflation, currently running at at 220 percent, would be stopped or that the material situation of the economy would improve.

Party leader Slobodan Milosevic underlined that the draft federal budget shows that the Yugoslav Government has no faith in radical changes. He stressed that the question of responsibility for the misconceived policy of interest rates should be clarified.

The policy of interest rates prompted a recent resignation of government member Dr Oskar Ovac, who pointed to the dangers of abandoning the policy of real interest rates.

Speaking about the wave of worker unrest, Milosevic said that workers were right to replace incompetent managements and that they should continue to do so. He added, however, that it would be unadvisable to give in to pressures and distribute what had not actually been earned since this undermines the economic reform an [word indistinct] a hopeless situation for enterprise.

President of the Assembly of Serbia Borisav Jovic stressed that if the government has no strong support for radical measures, then the assembly of Yugoslavia should show resolve towards the government.

President of the leadership of the Socialist Aliance of Serbia Bogdan Trifunovic warned that the climate of worker dissatisfaction and economic failures could bring to nothing the [word indistinct] and clearly attainable goals in Serbia such as changes in the republican Constitution and normalization of the situation in the Autonomous Province of Kosovo, where Albanian chauvinists and separatists are active.

Trifunovic said that he was in the possession of information that there are political forces in Serbia and other malevolent forces elsewhere in Yugoslavia who oppose the policy of the League of Communists of Serbia and that an outcome of that kind would be in their interest.

Smole Denies Slovenia Works Against Army

AU2012192388 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 20 Dec 88

[Text] Joze Smole, president of the Slovene SAWP Republican Conference, has categorically rejected all insinuations to the effect that Slovenia is working to break up the Yugoslav People's Army and to set up a national army in order to destroy Yugoslavia. Opening a session of the conference of delegates from self-managing organizations and communities devoted to the proposed reform laws, Smole said that the claim that the role and activity of the socialist republics and provinces represent something negative, something that limits and hinders relations to the Army, was fabricated.

Croatia, Macedonia LC CC Sessions Discuss Reform

LD2012051388 Belgrade TANJUG in English 2030 GMT 19 Dec 88

[Text] Zagreb, Skopje, December 19 (TANJUG)—The League of Communists leaderships of the Yugoslav Republics of Croatia and Macedonia pointed out in their plenary sessions on Monday [19 December] that without three reforms—economic, political, and reform of the party—the country cannot overcome its current crisis. In this context the former paid most attention to the economic, and the latter to the party reform.

Economic reform is aimed at bringing about an efficient market economy open to the world, stated member of the Croatian Party leadership Tomislav Badovinac. He said that politics should relinquish its role of arbiter in the economy, thus eliminating the disastrous effects of political voluntarism, and state its positions of economic epicentre and an entrepreneur general. Instead, he added, the state should take on the functions of global guidance in the economy and protection of the legal order and financial stability.

The action for the reforms has been initiated and conducted by the League of Communists, pointed out Badovinac, describing this as a proof that the democratic option in the league is strengthening.

Croatian communists noted that the economic reform must be accompanied with social security programs and cannot be implemented without a democratization of political life. Pointing to opposition to the reforms, they saw the fact that league of communists leaders and members are in majority among the supporters of the old as being the most regrettable.

There is no alternative to the three reforms said member of the Macedonian party leadership Risto Lazarov, stressing the question of the party's separation from the state as a priority one. If the League of Communists does not separate itself from power, it will rule over the working class and will not be its vanguard, he warned.

Social development cannot be cased on the League of Communists monopoly but it should be made clear that socialist and self-management political pluralism does not mean the opening of the door to the multiparty system, underscored Lazarov.

The plenum of the Central Committee of the League of Communists of Croatia accepted the request by a former Yugoslav prime minister, Milka Planinc, to be relieved of her membership of the committee for health reasons. Planic, who recently underwent an operation, will be convalescing for a longer period of time.

Vojvodina Assembly Officials Replaced

LD2012102588 Belgrade TANJUG Domestic Service in Serbo-Croatian 1352 GMT 19 Dec 88

[Text] Novi Sad, 19 Dec (TANJUG)—The delegates of the Assembly of the Socialist Autonomous Province of Vojvodina today relieved its Constitutional Commission of its duties. Commission Chairman Milivoj Vujadinovic and all 24 members were relieved of their duties.

The Elections and Appointments Commission explained in this connection that when proposing that the Constitutional Commission be relieved of its duties they proceeded from the stance taken by the provincial conference of the Vojvodina SAWP and the view formed in the public that the Constitutional Commission no longer enjoys the necessary trust which is an indispensable condition for work on issues as important as constitutional issues. During the next session of the Vojvodina Assembly, due to take place on 27 December, names of new members of the Constitutional Commission will be submitted.

The Assembly today also relieved of their duties two members of the Commission for Elections and Appointments—Todor Gvrilov, who had tendered his resignation being a member of the Provincial Committee Presidium of the LC of no confidence as member of the Provincial Conference of the Vojvodina SAWP. Nedljko Sipovac and Dr Nenad Vunjak were elected to replace them.

Radovan Temerinac, current chairman of the legislative and legal commission for the vojvodina Assembly, has also been released from his duties because he is retiring.